

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, bank, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000, as amended ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a prospectus relating to Supermarket Income REIT plc (the "**Company**") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA (the "**Prospectus Regulation Rules**"). A copy of this document has been filed with, and approved by, the FCA pursuant to section 87A of FSMA and will be made available to the public in accordance with Article 21 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

This document has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered as an endorsement of the issuer that is the subject of this document or the quality of the securities that are the subject of this document. This document has been drawn up as a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the securities.

This document is being published in connection with the issue of up to 200 million new Ordinary Shares to raise Gross Issue Proceeds of up to approximately £204 million in connection with (i) the Placing and Offer for Subscription (being the "**Initial Issue**") (new Ordinary Shares being issued pursuant to the Initial Issue being the "**New Ordinary Shares**") and (ii) the Placing Programme in one or more Tranches throughout the period commencing on the date of this document and ending on 11 September 2020 (new Ordinary Shares issued pursuant to the Placing Programme being the "**Placing Programme Shares**"). Application will be made to London Stock Exchange plc (the "**LSE**") for all of the New Ordinary Shares issued pursuant to the Initial Issue to be admitted to trading on the specialist fund segment (the "**Specialist Fund Segment**" or "**SFS**") of the Main Market of the London Stock Exchange ("**Admission**"). It is expected that Admission will become effective, and that dealings in the New Ordinary Shares issued pursuant to the Initial Issue, will commence, on 7 October 2019.

Application will also be made to the LSE for all of the Placing Programme Shares to the London Stock Exchange for all such Placing Programme Shares to be admitted to trading on the SFS the Main Market of the London Stock Exchange.

The Directors, whose names are set out under the heading "**Directors, Registered Office, Secretary and Advisers**" in Part 5 of this document, and the Company accept responsibility for this document. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Prospective investors should read the entire document and, in particular, the section headed "Risk Factors" set out in Part 2, when considering an investment in the Company.

Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain of the risks described in this document occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Company is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

Supermarket Income REIT plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 10799126)

**Placing and Offer for Subscription for up to 49,019,607 New Ordinary Shares of
£0.01 each at an Issue Price of 102 pence per New Ordinary Share
and**

Placing Programme of up to 200 million Placing Programme Shares

and

NOTICE OF GENERAL MEETING

Bookrunner, Financial Adviser and Placing Agent

STIFEL NICOLAUS EUROPE LIMITED

Stifel Nicolaus Europe Limited ("**Stifel**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no-one else in connection with the Initial Issue, the Placing Programme and Admission, will not regard any other person (whether or not a recipient of this document) as a client in relation to the Initial Issue, the Placing Programme or Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stifel, nor for providing advice in connection with the Initial Issue, the Placing Programme, Admission, the contents of this document or any matters referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Stifel by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Stifel and any person affiliated with it does not accept any responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this document, including its accuracy or completeness, or for any other statement made or purported to be made by it, or on behalf of it, by or on behalf of the Company or any other person in connection with the Company, the New Ordinary Shares, the Placing Programme Shares, the Initial Issue or the Placing Programme and nothing contained in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Stifel and its affiliates accordingly

disclaim all and any responsibility or liability whatsoever whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Stifel and its respective affiliates may have engaged in transactions with, and have provided various investment banking, financial advisory and other services for, the Company, for which they would have received customary fees. Stifel and any of its affiliates may provide such services to the Company and any of its respective affiliates in the future.

Investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised by the REIT Group or Stifel. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, neither the delivery of this document nor any subscription for or purchase of Ordinary Shares made pursuant to the Initial Issue or the Placing Programme, under any circumstances, create any implication that there has been no change in the affairs of the REIT Group since, or that the information contained herein is correct at any time subsequent to, the date of this document.

In connection with the Initial Issue and the Placing Programme, Stifel and any of its affiliates, acting as investors for its or their own accounts, may subscribe for or purchase New Ordinary Shares and/or Placing Programme Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in Ordinary Shares and other securities of the Company or related investments in connection with the Initial Issue, the Placing Programme or otherwise. Accordingly, references in this document to New Ordinary Shares and/or Placing Programme Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by Stifel and any of its affiliates acting as an investor for its or their own account(s). Neither Stifel nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Stifel may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Stifel may from time to time acquire, hold or dispose of shareholdings in the Company.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Ordinary Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or other any related matters concerning the Company and an investment therein. None of the REIT Group, the Investment Adviser or Stifel or any of their respective representatives is making any representation to any offeree or purchaser of or subscriber for Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

No action has been taken to permit the distribution of this document in any jurisdiction other than the United Kingdom. Accordingly, this document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This document is not being sent to investors with registered addresses in Canada, Australia, the Republic of South Africa, Japan or, except in the limited circumstances described below, the United States, and does not constitute an offer to sell, or the solicitation of an offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for release, publication or distribution in or into Canada, Australia, the Republic of South Africa, Japan or, except in the limited circumstances described below, the United States.

The Company has not been, and will not be registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or with any other securities regulatory authority of any state or other jurisdiction of the United States, or under the applicable securities laws of Canada, Australia, the Republic of South Africa, Japan and, except as set forth below, may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person, or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, Japan. The Ordinary Shares are being and will be offered and sold only (i) outside the United States to, and for the account or benefit of, non-US persons in "offshore transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act and (ii) in a concurrent private placement in the United States to a limited number of "qualified institutional buyers" as defined in Rule 144A under the Securities Act that are also both "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder and "accredited investors" as defined in Rule 501 under the Securities Act.

Copies of this document will be available on the Company's website (<http://www.supermarketincomereit.com/>) and the National Storage Mechanism of the FCA at www.morningstar.co.uk/uk/nsm and hard copies of this document can be obtained free of charge from the Receiving Agent, Link Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

The date of this document is 12 September 2019.

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PART 1

SUMMARY INFORMATION

This summary contains the information required to be included in a summary for the Ordinary Shares proposed to be issued by the Company pursuant to this document.

1 Introduction and warnings

This summary should be read as an introduction to this document. Any decision to invest in New Ordinary Shares or Placing Programme Shares should be based on consideration of this document, and any supplement thereto, as a whole by an investor.

An investor could lose all or part of their invested capital.

Where a claim relating to the information contained in this document is brought before a court, a plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this document before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in New Ordinary Shares or Placing Programme Shares.

The securities which the Company intends to issue are Ordinary Shares of the Company of £0.01 each whose ISIN is GB00BF345X11.

Supermarket Income REIT plc, the Company, can be contacted by writing to its registered office, 7th Floor, 9 Berkeley Street, London W1J 8DW, calling within business hours, 020 7409 0181 or emailing contact@atratocapital.com. The Company can also be contracted through its AIFM, JTC Global AIFM Solutions Limited, by writing to Ground Floor, Dorey Court, Admiral Park, Guernsey, GY1 2HT or calling within business hours, (0)1481 702400. The Company's legal entity identifier is 2138007FOINJKAM7L537.

This document was approved on 12 September 2019 by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN. Contact information relating to the Financial Conduct Authority can be found at <https://www.fca.org.uk/contact>.

2 Key information on the issuer

2.1 *Who is the issuer of the securities?*

The Company is a public limited company, incorporated in the UK with its registered office situated in England and Wales with registered number 10799126 and legal entity identifier 2138007FOINJKAM7L537. The Company operates under the Companies Act and is registered as an investment company under section 833 of the Act.

The Company was incorporated in England and Wales as a closed-ended investment company for the purpose of delivering income and capital returns to Shareholders through investment in a portfolio of principally freehold and long leasehold operational properties let to UK supermarket operators.

The principal activity of the Company is to target assets with long unexpired lease terms with index-linked or fixed rental uplifts in order to provide investors with income security and inflation protection.

As at close of business on 11 September 2019 (being the latest practicable date before publication of this document), the following parties were known to be interested in 3 per cent. of more of the Company's share capital (being the threshold for notification under the Disclosure Guidance and Transparency Rules):

Shareholder	Number of Ordinary Shares	Percentage of total share capital (%)
Quilter Cheviot Investment Management	26,649,757	11.11
Smith & Williamson Investment Management	16,842,839	7.02
BMO Global Asset Management	14,842,500	6.19
Premier Fund Management	14,410,770	6.01
West Yorkshire Pension Fund	14,166,291	5.91
Canaccord Genuity Wealth	14,001,484	5.84
Close Asset Management	13,595,957	5.67
River & Mercantile Asset Management	13,525,280	5.64
TR Property Investment Trust	11,289,711	4.71
Ruffer	9,310,994	3.88
Miton Asset Management	8,090,603	3.37
Brooks Macdonald Asset Management	7,768,953	3.24
Charles Stanley	7,473,334	3.12

The Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

The Company's directors are Nick Hewson, Vincent Prior and Jonathan Austen. Its statutory auditors are BDO LLP.

The Company's key service providers are: JTC Global AIFM Solutions Limited, the AIFM to the Company, Atrato Capital Limited, the investment adviser to the Company, Morgan Williams, the senior adviser to the Company on supermarket expertise and sourcing assets, JTC (UK) Limited, the administrator and company secretary to the Company and Link Asset Services, the Company's registrar and receiving agent in respect of the Offer for Subscription.

2.2 What is the key financial information regarding the issuer?

Table 1: additional information relating to closed ended funds

Share Class	Total EPRA NAV*	No. of shares*	EPRA NAV per share*	Historical performance of the Company
Ordinary Shares	231.7m	239,833,219	97p	<p><i>Financial period ended 30 June 2018</i></p> <p>During the period, the Company delivered a total shareholder return of 8%. This is measured as the growth in share price plus dividends over the period. Dividends for the period totalled 5.5 pence per Ordinary Share, achieving the Company's IPO target.</p> <p>The Company's investment properties were independently valued on 30 June 2018 at £264.9 million, representing an increase of 4.1% above the aggregate acquisition price (excluding acquisition costs), generating 4.9% weighted average net initial yield.</p> <p>As at 30 June 2018, the Company's EPRA NAV per Share was 96 pence.</p> <p><i>Financial period ended 30 June 2019</i></p> <p>During the period, the Company delivered a total shareholder return of 8%. This is measured as the growth in share price plus dividends over the period.</p>

Share Class	Total EPRA NAV*	No. of shares*	EPRA NAV per share*	Historical performance of the Company
				Dividends for the period totalled 5.6 pence per Ordinary Share.
				The Company's investment properties were independently valued on 30 June 2019 at £368.2 million, representing an increase of 4.8% above the aggregate acquisition price (excluding acquisition costs), generating 4.9% weighted average net initial yield.
				As of 30 June 2019, the Company's EPRA NAV per Share was 97 pence.

* This information is accurate as at 11 September 2019, being the latest practicable date before the publication of this document.

Table 2: income statement for closed ended funds**

	Audited annual report and accounts for the year ended 30 June 2019	Audited annual report and accounts for the period from incorporation to 30 June 2018
Rental income (£'000)	17,231	8,942
Profit for the period (£'000)	10,593	620
Investment management fees	1,814,000	Total advisory fees payable to the Investment Adviser were £1,079,000.
Any other material fees (accrued/ paid) to service providers	—	There were no other material fees paid to service providers in the period.
EPRA earnings per share	5.0 pence	3.8 pence

Table 3: balance sheet for closed-ended funds**

	Audited annual report and accounts for the year ended 30 June 2019	Audited annual report and accounts for the period from incorporation to 30 June 2018
Total net assets (£'000)	230,470	176,746
Leverage ratio***	36.3%	32.4%

** The key figures set out in table 2 and table 3 above that summarise the Company's financial condition in respect of the periods covered by the 2018 Annual Report and Accounts and the 2019 Annual Report and Accounts have been extracted without material adjustment from the Company's historical financial information.

*** Balance sheet loan amount less cash balances divided by total investment properties valuation.

2.3 What are the key risks that are specific to the issuer

- The REIT Group's performance will depend on general real estate market conditions. Such conditions may have a negative impact on or delay the REIT Group's ability to execute investments in suitable assets that generate acceptable returns. Market conditions may also negatively impact on the revenues earned from property assets and the price at which the REIT Group is able to dispose of these assets
- The REIT Group may not be able to dispose of its investments in a timely fashion and at satisfactory prices
- The REIT Group holds a portfolio of investment assets with a concentration of tenants and the UK food retail sector is highly concentrated. Accordingly, any default by a major tenant could have a disproportionate effect because it could affect multiple properties
- The process of the UK leaving the European Union may result in volatility in UK and global financial markets and regulatory changes that may adversely affect the Company, the AIFM, the Investment Adviser and the Portfolio

- A default by a major tenant could result in a significant loss of letting income, void costs, a reduction in net asset value and increased bad debts
- Development or redevelopment expenditure may be necessary in the future to preserve rental income but such development or development may be restricted by legal, regulatory and practical constraints
- If the REIT Group fails to remain qualified as a REIT, its rental income and gains will be subject to UK corporation tax

3 **Key information on the New Ordinary Shares and the Placing Programme Shares**

3.1 *What are the main features of the securities?*

Ordinary Shares

The securities which the Company intends to issue are Ordinary Shares of the Company of £0.01 each whose ISIN is GB00BF345X11. As at the close of business on 11 September 2019, the latest practicable date prior to the publication of this document, the Company had 239,833,219 fully paid Ordinary Shares of £0.01 nominal value in issue. The Company has no partly paid shares in issue.

Rights attaching to the Ordinary Shares

- *Dividend rights:* all Ordinary Shares are entitled to participate in dividends which the Company declares from time to time proportionate to the amounts paid or credited as paid on such Ordinary Shares;
- *Capital rights:* all Ordinary Shares are entitled to a distribution of capital in the same proportions as capital is attributable to them (including on a winding-up); and
- *Voting rights:* every Shareholder has one vote for each Ordinary Share held by it.

Restrictions on free transferability of Ordinary Shares

The Board may, in its absolute discretion, and without giving a reason, refuse to register a transfer of any Ordinary Share which is not fully paid up or on which the Company has a lien, provided that this would not prevent dealings in the Ordinary Share from taking place on an open and proper basis. In addition, the Directors may also refuse to register a transfer of Ordinary Shares: (i) if it is in respect of more than one class of shares; (ii) if it is in favour of more than four joint transferees; (iii) if applicable, it is delivered for registration to the Company's registered office or such other place as the Board may decide, not accompanied by the certificate for the Ordinary Shares to which it relates and such evidence as the Board may reasonably require; (iv) if the transfer is in favour of any Non-Qualified Holder; or (v) if the transfer would make the Company a close company.

The Ordinary Shares have not been, and will not be, registered in the United States under the Securities Act or US state securities laws, and are subject to restrictions on transfer contained in such laws. There are restrictions on the purchase of Ordinary Shares by persons who are located in the United States or who are US Persons and on the resale of Ordinary Shares to any person who is located in the United States or is a US Person.

Relative seniority of Ordinary Shares

The Ordinary Shares are the only instrument that the Company has issued in its capital structure. The New Ordinary Shares and the Placing Programme Shares will rank alongside the Company's existing Ordinary Shares in the event of an insolvency. On an insolvency the Shareholders will be entitled to a share in the capital of the Company, in the same proportions as capital is attributable to them, only after the Company has settled all amounts owed to its creditors.

3.2 *Where will the securities be traded?*

Application will be made for all of the New Ordinary Shares and Placing Programme Shares to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange. It is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence, on 7 October 2019.

3.3 *What are the key risks that are specific to the securities?*

- The value and/or market price of the Ordinary Shares may go down as well as up. Investors may, therefore, realise less than, or lose all of, their investment. The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors
- The Company's ability to pay dividends will depend upon its ability to generate sufficient earnings and certain legal and regulatory restrictions. If it is not able to generated such earnings or such legal and regulatory restrictions apply, the amount of the dividends paid by the Company may be reduced
- The Ordinary Shares may prove difficult to sell as a result of illiquidity in the Company's shares

4 **Key information on the offer of securities to the public and the admission to trading**

4.1 *Under which conditions and timetable can I invest in this security?*

Application will be made for all of the New Ordinary Shares to be issued pursuant to the Initial Issue and Placing Programme Shares to be issued pursuant to the Placing Programme to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange.

Existing Shareholders are not obliged to participate in the Initial Issue. However, assuming 49,019,607 New Ordinary Shares are issued under the Initial Issue, those Existing Shareholders who do not participate will suffer a dilution of approximately 17 per cent. to their existing percentage holdings.

Assuming Gross Issue Proceeds of £204 million, the costs and expenses of the Initial Issue and the Placing Programme payable by the Company are expected to be approximately £4.2 million. No taxes or expenses will be charged directly to any investor by the Company.

The Initial Issue

The New Ordinary Shares are being made available under the Initial Issue (which comprises the Placing and Offer for Subscription) at the Issue Price. The Company is targeting up to £50 million through the Initial Issue. The Board has reserved the right, in conjunction with Stifel, to increase the size of the Initial Issue if there is sufficient demand, by increasing the size of the Placing, the Offer for Subscription or both by reallocating new Ordinary Shares available under the Placing Programme to the Initial Issue. The maximum number of new Ordinary Shares to be issued under the Initial Issue and the Placing Programme is 200 million.

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.

Stifel, as agent of the Company, has agreed to use its reasonable endeavours to place New Ordinary Shares under the Placing with institutional and certain other investors at the Issue Price.

Under the Placing, New Ordinary Shares are being offered to institutional and other investors in the United Kingdom, elsewhere outside the United States in reliance on Regulation S and in a concurrent private placement in the United States to a limited number of "qualified institutional buyers" as defined in Rule 144A under the Securities Act that are also both "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder and "accredited investors" as defined in Rule 501 under the Securities Act and that have delivered to Stifel investor representation letters.

Applications under the Offer for Subscription must be for New Ordinary Shares at the Issue Price. The aggregate subscription price is payable in full on application. Individual applications must be for a minimum subscription of 1,000 New Ordinary Shares and then in multiples of 1,000 New Ordinary Shares thereafter, although the Board may accept applications below these minimum amounts in its absolute discretion.

The Initial Issue is conditional upon:

- Admission occurring on or before 8.00 a.m. on 7 October 2019 (or such time and/or date as the Company and Stifel may agree, not being later than 8.00 a.m. on 4 November 2019);
- the Resolutions being passed by Shareholders at the General Meeting (without material amendment); and
- the Placing Agreement becoming unconditional in all respects (save for the condition therein relating to Admission and in respect of any condition that relates to the Placing Programme) and not having been terminated in accordance with its terms on or prior to Admission.

The timetable for the Initial Issue is as follows:

	2019
Placing and Offer for Subscription opens	8.00 a.m. on 12 September
Latest time and date for receipt of completed Application Forms and payment in full under the Offer for Subscription	11.00 a.m. on 1 October
Latest time and date for receipt of placing commitments under the Placing	1.00 p.m. on 2 October
General Meeting	3.00 p.m. on 1 October by close of business on 3 October
Announcement of the results of the Initial Issue	
Admission of the New Ordinary Shares to trading on the SFS	8.00 a.m. on 7 October as soon as practicable after 8.00 a.m. on 7 October
Crediting of CREST stock accounts	as soon as practicable after 8.00 a.m. on 7 October
Despatch of definitive share certificates (where applicable)	8.00 a.m. on 7 October

The timetable above is subject to change at the determination of the Company, following consultation with Stifel. Any such change will be publicly announced by the Company via an RIS announcement.

The Placing Programme

The Company will also implement the Placing Programme pursuant to which Placing Programme Shares will be made available to investors at an issue price calculated by reference to the Net Asset Value per Ordinary Share at the time of allotment, together with a premium intended to cover the costs and expenses of the Placing Programme (including, without limitation, any placing commissions). No Ordinary Shares will be issued at a discount to the Net Asset Value per Ordinary Share.

The Placing Programme will open on 12 September 2019 and will close on the earliest to occur of: (a) the first anniversary of the date of this document; (b) the date on which an aggregate of 200 million new Ordinary Shares have been admitted to trading on the Specialist Fund Segment pursuant to the Initial Issue and the Placing Programme; and (c) such other date as may be agreed between Stifel and the Company. Notification of any extension will be via an RIS announcement.

Allotment and issuances may take place at any time prior to the final closing date of the first anniversary of the date of this document. An announcement of each allotment and issue will be released through an RIS announcement, including details of the number of Placing Programme Shares allotted and issued and the applicable issue price for the allotment and issue.

4.2 *Why is this Prospectus being produced?*

Background to and reasons for the Initial Issue and Placing Programme

The Initial Issue is being made, and the Placing Programme instituted, in order to raise funds for the purpose of achieving the Company's investment objective in line with the Investment Policy.

The Initial Issue and the Placing Programme are not being underwritten. So far as the Directors are aware, there are no interests of the Directors that are material to the Initial Issue.

Use of Proceeds

The maximum aggregate proceeds of the Initial Issue and the Placing Programme, after deduction of expenses, are expected to be approximately £199.8 million (assuming a total of 200 million new Ordinary Shares are issued pursuant to the Initial Issue and the Placing Programme).

The Net Issue Proceeds are expected to be utilised to invest in additional freehold and long leasehold operational properties let to UK supermarket operators.

Conflicts of interest

The AIFM, the Investment Adviser and their officers and employees may from time to time act for other clients or manage or advise other funds, which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of the AIFM or the Investment Adviser or such other funds. The Directors have satisfied themselves that the AIFM and the Investment Adviser have procedures in place to address potential conflicts of interest. Pursuant to the Investment Advisory Agreement, the Investment Adviser will not engage in any property acquisition services in relation to any asset(s) falling within the Company's stated Investment Policy and investment objective, which have been identified by the Investment Adviser without offering the Company a right of first refusal in respect of such asset(s).

The Directors will seek to ensure that any conflict of interest is resolved fairly and in the interests of the Company.

The AIFM, the Investment Adviser and any of their directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

There are no actual or potential conflicts of interest between any duties owed to the Company, the Directors or the Investment Adviser or any of the Directors and their private interests or duties.

PART 2

RISK FACTORS

Any investment in the Company is subject to a number of risks. Prior to investing in Ordinary Shares, prospective investors should consider carefully the factors and risks associated with any investment in Ordinary Shares, the Company's business and the industry in which it operates, together with all other information contained in this document including, in particular, the risk factors described below.

*Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed “**Summary**” are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in sections 2 and 3 of the summary of this document but also, among other things, the risks and uncertainties described below. All forward-looking statements address matters that involve risks and uncertainties and are not guarantees of future performance. Prospective investors should refer to paragraph 8 (“**Forward-looking statements**”) of Part 3 of this document.*

The risks and uncertainties described below represent those the Directors consider to be material as at the date of this document. The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in Ordinary Shares and should be used as guidance only. Additional risks and uncertainties relating to the REIT Group that are not currently known to the Company, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, prospects, results of operations and financial position and, if any such risk should occur, the price of Ordinary Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Investment in the Company should not be regarded as short-term in nature.

1 Risks relating to the REIT Group's business

1.1 The REIT Group's performance will depend on general real estate market conditions

Both the condition of the real estate market and the overall UK economy will impact the returns of the Company, and hence may have a negative impact on or delay the REIT Group's ability to execute investments in suitable assets that generate acceptable returns. Market conditions may also negatively impact on the revenues earned from property assets and the price at which the REIT Group is able to dispose of these assets. In these circumstances, the Company's ability to make distributions to Shareholders from rental income could be affected which may, in turn, have an adverse effect on the REIT Group's performance, financial condition and business prospects.

1.2 The REIT Group may not be able to dispose of its investments in a timely fashion and at satisfactory prices

As property assets are expected to be relatively illiquid, such illiquidity may affect the REIT Group's ability to dispose of or liquidate its portfolio in a timely fashion. In addition, to the extent that market conditions are not favourable or deteriorate, the REIT Group may not be able to realise its real estate assets at satisfactory prices. This could result in a decrease in NAV and lower returns (if any) for Shareholders.

1.3 The REIT Group holds a portfolio of investment assets with a concentration of tenants

All of the Company's assets are invested in UK property let to supermarket operators and other retailers in the UK food retail sector. Consequently, any downturn in the broader UK and its economy or specifically in the retail sector or regulatory changes in the UK or the retail sector could have a material adverse effect on the Company's results of operations or financial condition. Furthermore, the UK food retail sector is highly concentrated. Tesco, Sainsbury's, Asda and Morrisons (the “**Big Four**”) have a combined market share of approximately 68 per cent. Accordingly, the Company has significant risk exposure to the Big Four as the majority of

its tenants consist of the Big Four. Given the Company's significant exposure to the Big Four, a default by one of the Big Four (see paragraph 1.7 below for further details of the consequences of such a default) could have a significant adverse effect on the Company as it could affect multiple assets.

1.4 *Delays in the deployment of funds from share issues may affect distributions to Shareholders*

The Investment Adviser is currently engaged in negotiations with vendors regarding further potential investment opportunities; however the Company can provide no assurances that it will be able to acquire any further supermarket real estate assets. The Company is likely to face competition from a variety of other potential purchasers in identifying and acquiring suitable properties. Furthermore, the implementation of the Company's strategy is subject to a number of factors, some of which such as market conditions and property cycles may be beyond the control of the Investment Adviser. The failure to acquire any further properties will mean that the REIT Group will not receive further rental income, which is likely to adversely affect the Company's ability to meet its investment objective and therefore distributions which will be made to Shareholders.

1.5 *Risks relating to the UK's exit from the European Union*

On 23 June 2016, the UK voted to leave the European Union ("Brexit"). There remains uncertainty around the UK's future relationship with the EU and it is, therefore, difficult for the Company to assess what the impact of Brexit will be on the REIT Group's business. The REIT Group may be subject to a significant period of uncertainty in the period leading up to Brexit including, among other things, uncertainty in relation to market conditions and any potential regulatory or tax change. In addition, the macroeconomic effects of Brexit on the value of investments in the UK real estate sector and, by extension, the value of the investments in the REIT Group's investment portfolio, is unknown. Brexit could also create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the Net Asset Value and the price of Ordinary Shares. Brexit may also make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the REIT Group. This could restrict the REIT Group's future activities and thereby negatively affect returns.

1.6 *The appraisal value of the REIT Group's properties may not accurately reflect the current or future value of the REIT Group's assets*

The valuation of property is inherently subjective owing to the individual nature of each property and is based on a number of assumptions which may not turn out to be true, meaning that actual sale prices paid or received by the REIT Group (as applicable) may not reflect the valuations of the properties.

In determining the value of properties, valuers are required to make assumptions in respect of matters including, but not limited to, the existence of willing sellers in uncertain market conditions, title, condition of structure and services, deleterious materials, plant and machinery and goodwill, environmental matters, statutory requirements and planning, expected future rental revenues from the property and other information. Such assumptions may prove to be inaccurate. Incorrect assumptions underlying the valuation reports could negatively affect the value of any property assets the Company acquires and thereby have a material adverse effect on the Company's financial condition, for example because the REIT Group's ability to realise a sale price that reflects the stated valuation on the balance sheet is inhibited. This is particularly so in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked. There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable. Property valuations are dependent upon the level of rental income receivable and anticipated to be receivable on that property in the future and, as such, declines in rental income could have an adverse impact on revenue and the value of the Group's properties, which would, in turn, have an adverse impact on NAV.

To the extent valuations of the Company's properties do not fully reflect the value of the underlying properties, whether due to the above factors or otherwise, this may have a material adverse effect on the Company's financial condition, business prospects and results of

operations. In particular, this factor could cause the Company's shares to trade at a discount to NAV. In addition, NAV will be adversely affected if the Company disposes of property assets at below previously reported NAV.

1.7 *A default by a major tenant could result in a significant loss of letting income, void costs, a reduction in asset value and increased bad debts*

A downturn in business, bankruptcy or insolvency could force a major tenant to default on its rental obligations and/or vacate the premises. Such a default could result in a loss of rental income, void costs, an increase in bad debts and decrease the value of the relevant properties. Moreover, such a default may prevent the REIT Group from increasing rents or result in lease terminations by, or reductions in rent for, other tenants under the conditions of their leases. This is a particular risk in relation to any tenant in respect of which the Company might have the maximum permitted exposure under the Investment Policy. Any of the above impacts of a default by a major tenant could have a material adverse effect on the REIT Group's business, financial condition, results of operations, future prospects or the price of Ordinary Shares.

1.8 *Development or redevelopment expenditure may be necessary in the future to preserve rental income but such development or development may be restricted by legal, regulatory and practical constraints*

Returns from investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the repair, maintenance and management of the property, as well as upon changes in its market value. Consequently, development or redevelopment expenditure may be necessary in the future to preserve the rental income generated from and/or the value of properties, and this may affect the REIT Group's profits and/or cashflows. The potential for the development, redevelopment and/or expansion of properties may be adversely affected by a number of factors, including constraints on location, planning legislation and the need to obtain other licences, consents and approvals and the existence of restrictive covenants affecting the title to such property. Consequently, on some of the assets, there may not be an opportunity for the REIT Group to carry out redevelopment or expansion or refurbishment or enhancement work, which, in each case, may have an adverse effect on the Group's business, financial condition and/or results of operations.

1.9 *The REIT Group may not acquire 100 per cent. control of its investments*

The Company's investment strategy does not restrict the REIT Group from entering into a variety of investment structures, such as joint ventures, acquisitions of controlling interests or acquisitions of minority interests (although the Directors do not currently propose that the REIT Group will take a passive or minority interest in supermarket real estate investments). In the event that the REIT Group acquires less than a 100 per cent. interest in a particular asset, the remaining ownership interest will be held by third parties and the subsequent management and control of such an asset may entail risks associated with multiple owners and decision-makers. Any such investment involves the risk that third party owners might become insolvent or fail to fund their share of any capital contribution which might be required. In addition, such third parties may have economic or other interests which are inconsistent with the REIT Group's interests, or they may obstruct the REIT Group's plans (for example, in implementing active asset management measures), or they may propose alternative plans.

In addition, there is a risk of disputes between the REIT Group and third parties who have an interest in the supermarket real estate asset in question. Any litigation or arbitration resulting from any such disputes may increase the REIT Group's expenses and distract the Directors and the Investment Adviser from focusing their time to fulfil the Company's investment objective. The REIT Group may also, in certain circumstances, be liable for the actions of such third parties.

1.10 *Risks relating to borrowings and interest rate hedging*

Any amounts that are secured by the REIT Group under a loan facility are likely to rank ahead of Shareholders' entitlements and accordingly, should the REIT Group's assets not grow at a rate sufficient to cover the costs of establishing and operating the REIT Group, on a liquidation of the Company, Shareholders may not recover their initial investment.

Prospective investors should be aware that, whilst the use of borrowings should enhance NAV per Share, where the value of the REIT Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the REIT Group's property portfolio falls, including as a result of defaults by tenants pursuant to their leases / licences with the REIT Group, the use of borrowings will increase the impact of such falls on the net revenue of the REIT Group and, accordingly, this will have an adverse effect on the Company's ability to pay dividends to Shareholders.

Any increase in UK Sterling interest rates could have an adverse impact on the REIT Group's cost of borrowing or its ability to secure borrowing facilities and could result in the expected dividends of the Company being reduced and/or a reduction in the value of the Ordinary Shares. The REIT Group may make use of interest rate hedging contracts, but there is no guarantee that such contracts will adequately protect the REIT Group from adverse movements in real or nominal interest rates. If such contracts are terminated before their original term expires the REIT Group could incur significant breakage costs which may have an adverse effect on the ability of the Company to pay dividends to Shareholders.

The Directors intend to secure further borrowing facilities to finance and/or part-finance further acquisitions in accordance with the Company's investment policy. However, there can be no guarantee that any such facilities will be available to the Company on commercially acceptable terms or at all, which would adversely affect the Company's investment returns and may have a material adverse effect on the REIT Group's financial position and results of operations.

1.11 *The discovery of previously undetected environmentally hazardous conditions in the REIT Group's properties could result in unforeseen remedial work or future liabilities even after disposal of such property*

Under applicable environmental laws, a current or previous property owner may be liable for the cost of removing or remediating hazardous or toxic substances on, under or in such property, which cost could be substantial. While the Investment Adviser will undertake environmental due diligence before acquiring future properties, there is still a risk that third parties may seek to recover from the REIT Group for personal injury or property damage associated with exposure to any release of hazardous substances. Payment of damages could adversely affect the Company's ability to make distributions to Shareholders from rental income.

2 *Risks relating to the Investment Adviser*

2.1 *The REIT Group will continue to be dependent to some extent on the efforts of the Investment Adviser, together with the performance and retention of key personnel*

The REIT Group will continue to be reliant, to some extent, on the management and advisory services the Company receives from the Investment Adviser. Any failure to source assets, execute transactions or manage investments by the Investment Adviser may have a material adverse effect on the REIT Group's performance. The departure of any member of the Investment Adviser without adequate replacement may also have a material adverse effect on the REIT Group's performance.

The Investment Adviser is also responsible for carrying out the day to day management of the Company's affairs and, therefore, any disruption to the services of the Investment Adviser (whether due to termination of the Investment Advisory Agreement or otherwise) could cause a significant disruption to the Company's operations until a suitable replacement is found.

In addition, the Company only has limited control over the personnel of or used by the Investment Adviser. Any damage to the reputation of the personnel of the Investment Adviser could result in potential counterparties and other third parties such as occupiers, landlords, joint venture partners, lenders or developers being unwilling to deal with the Investment Adviser and/or the Company. This may have a material adverse effect on the ability of the Company to successfully pursue its investment strategy.

2.2 *Due diligence may not identify all risks and liabilities*

Prior to entering into an agreement to acquire a property, the Company will perform due diligence on the property concerned. In doing so it would typically rely on third parties to conduct a significant portion of this due diligence (including legal reports on title and property valuations). To the extent that such third parties underestimate or fail to identify risks and

liabilities (including any environmental liabilities) associated with the property in question, the relevant member of the REIT Group may be affected by defects in title, or exposed to environmental, structural or operational defects requiring remediation, or may be unable to obtain necessary permits or permissions which may have a material adverse effect on the Company's profitability, the NAV and the price of Ordinary Shares.

A due diligence failure may also result in properties that are acquired failing to perform in accordance with projections, particularly as to rent and occupancy, which may have a material adverse effect on the Company's profitability, the NAV and the price of Ordinary Shares.

2.3 *The past or current performance of the Company or the Investment Adviser is not a guarantee of the future performance of the REIT Group*

The past or current performance of the Company or the Investment Adviser is not indicative, or intended to be indicative, of future performance of the Company.

The previous experience of the Investment Adviser and companies and ventures advised and/or operated by members of the Investment Adviser may not be directly comparable with the Company's current business. Differences between the circumstances of the Company and the circumstances under which the track record information in this document was generated include (but are not limited to) actual acquisitions and investments made, investment objectives, fee arrangements, structure (including for tax purposes), terms, leverage, performance targets, market conditions and investment horizons. All of these factors can affect returns and impact the usefulness of performance comparisons and, as a result, none of the historical information contained in this document is directly comparable to the Company's business or the returns which the Company may generate.

3 *Risks relating to the Ordinary Shares*

3.1 *The value and/or market price of the Ordinary Shares may go down as well as up and may not reflect the value of the underlying assets*

The Company is a REIT. The price of shares in a REIT is determined by the interaction of supply and demand for shares in the market as well as the net asset value of each share and other measures of performance, such as underlying earnings. The share price can therefore fluctuate and may represent a discount to the net asset value per share or the expected multiple of earnings. This discount itself is variable as conditions for supply and demand change. This can mean that the Company's share price may go down as well as up and the share price can fall when the NAV per Share and/or other Company specific performance measures rise, or vice versa. There is no guarantee that the market price of the Ordinary Shares will fully reflect their underlying Net Asset Value or other measures of performance. Investors may, therefore, realise less than, or lose all of, their investment.

The price of shares in a REIT may represent a premium to the net asset value per share. Investors purchasing Ordinary Shares at a premium to NAV per Share may not, in the event of a winding up of the Company, receive the full extent of their purchase price.

Some factors that might affect supply and demand for the Company's shares, include, among other things, variations in the Company's operating results, additional issuances or future sales of the Ordinary Shares or other securities exchangeable for, or convertible into, its Ordinary Shares in the future, the addition or departure of Board members, replacement of the Investment Adviser, change in the Investment Committee, change to the Investment Adviser, expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the UK commercial property market as a whole, the Company or any of its assets, a perception that other markets may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company's market and other events and factors within or outside the Company's control.

3.2 *The Company's ability to pay dividends will depend upon its ability to generate sufficient earnings and certain legal and regulatory restrictions*

All dividends and other distributions paid by the Company will be made at the discretion of the Board. The payment of any such dividends or other distributions will, in general, depend on the ability of the members of the REIT Group to generate realised profits and cash flow and their ability to pass such profits and cash flows to the Company on a timely basis. Any

reduction in such realised profits and cash flow or any restriction on passing such profits and cash to the Company may cause the dividend paid by the Company to be reduced, which may adversely affect the Company's share price.

3.3 *The Ordinary Shares may prove difficult to sell as a result of illiquidity in the Company's shares*

As at the close of business on 11 September 2019, the latest practicable date prior to the publication of this document, the Company's market capitalisation was approximately £258 million. Market liquidity in the shares of companies with relatively small market capitalisations are frequently inferior to the market liquidity of shares issued by larger companies traded on the LSE. In addition, the Company's shares are traded on the SFS, which is a market that typically has inferior liquidity to that of the premium segment of the Main Market. The specific investment focus of the Company on supermarket assets may also reduce the universe of available buyers of the Ordinary Shares. Accordingly, Shareholders may have difficulty in selling Ordinary Shares.

3.4 *The Company may in the future issue new equity, which may dilute Shareholders' equity*

The Company may issue new equity in the future pursuant to the Placing Programme or otherwise. While the Articles contain pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied in certain circumstances, and will be disapplied in relation to the maximum amount of shares that may be issued pursuant to the Placing Programme. Where pre-emption rights are disapplied, any additional equity financing will be dilutive to those Shareholders who cannot, or choose not to, participate in such financing.

3.5 *Issue price of Placing Programme Shares*

Where a Tranche of Placing Programme Shares contains a non-pre-emptive component, the issue price of that non-pre-emptive component cannot be lower than the prevailing Net Asset Value. The issue price of such Placing Programme Shares will be calculated by reference to the latest published unaudited Net Asset Value. Such Net Asset Value is determined on the basis of the information available to the Administrator at the time and may be subject to subsequent revisions. Accordingly, there is a risk that, had such issue price been calculated by reference to information that emerged after the calculation date, it could have been greater or lesser than the issue price actually paid by the investors. If such issue price should have been less than the issue price actually paid, investors will have borne a greater premium than intended. If such issue price should have been greater than the issue price actually paid, investors will have paid less than intended and, in certain circumstances, the Net Asset Value of the Ordinary Shares may have been diluted.

3.6 *The Company has not registered, and will not register, its Ordinary Shares with the Securities and Exchange Commission, which may limit the Shareholders' ability to resell them*

The Ordinary Shares have not been, and will not be, registered under the Securities Act or any US state securities laws. The Company will be relying upon exemptions from registration under the Securities Act and applicable state securities laws in offering and selling the New Ordinary Shares and Placing Programme Shares. As a consequence, for Securities Act purposes, Ordinary Shares can only be transferred or re-sold in the United States or to a US Person in transactions registered under the Securities Act, or in accordance with exemptions from the registration requirements of the Securities Act and exemptions under applicable state securities laws. Shareholders will not have registration rights and, therefore, will not be entitled to compel the Company to register their securities.

If at any time the holding or beneficial ownership of any Ordinary Shares by any person (whether on its own or taken with other Ordinary Shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" under the Plan Asset Regulations for purposes of ERISA or the Code; or (ii) would or might result in the Company and/or the Ordinary Shares being required to register or qualify under the Investment Company Act and/or the Securities Act and/or the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and/or any laws of any state of the United States that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a

“Foreign Private Issuer” under the Exchange Act; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the Code, the Directors may require the holder of such Ordinary Shares to dispose of such Ordinary Shares and, if the Shareholder does not sell such Ordinary Shares, may dispose of such Ordinary Shares on their behalf. These restrictions may make it more difficult for a US Person to hold, and Shareholders generally to sell, the Ordinary Shares and may have an adverse effect on the market value of the Ordinary Shares.

3.7 *The Company has not registered and will not register as an investment company under the Investment Company Act*

The Company is not registered and will not register in the United States as an investment company under the Investment Company Act and related rules. The Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered and does not plan to register, none of these protections or restrictions are or will be applicable to the Company.

4 *Risks relating to taxation and regulation*

4.1 *If the REIT Group fails to remain qualified as a REIT, its rental income and gains will be subject to UK corporation tax*

The Company cannot guarantee the continued compliance with all of the REIT conditions and there is a risk that the REIT regime may cease to apply in certain circumstances. If the REIT Group fails to remain qualified as a REIT, members of the REIT Group may be subject to UK corporation tax on some or all of their property rental income and chargeable gains on the sale of properties which would reduce the amounts available to distribute to investors.

4.2 *Adverse changes in taxation law and in the tax position of the Company*

This document is prepared in accordance with current taxation laws and practice in the UK. UK taxation legislation and interpretation is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors. Any change in the Company’s tax position or status or in tax legislation or proposed legislation, or in the interpretation of tax legislation or proposed legislation by tax authorities or courts, or tax rates, could adversely affect the Company’s ability to pay dividends, dividend growth and the market value of the Ordinary Shares and thus may alter the net return to investors. In particular, an increase in the rates of SDLT could have a material impact on the cost of acquiring UK land and, therefore, on asset values. The UK government has been known to introduce retrospective tax legislation and this cannot be ruled out in the future.

4.3 *Disposals of property*

If a member of the REIT Group disposes of a property in the course of a trade, any gain will generally be subject to corporation tax (currently at 19 per cent. but reducing to 17 per cent. from April 2020). For example, acquiring a property with a view to sale followed by a disposal of the asset would indicate a trading activity, whereas disposal of a property as part of a normal variation of a property rental portfolio would not indicate a trading activity. While the REIT Group does not intend to dispose of property in the course of a trade, there can be no assurance that HMRC will not scrutinise any disposals and successfully contend that any or some of them have been in the course of a trade, with the consequence that corporation tax may be payable in respect of any profits from the disposal of such property.

4.4 *The Company may be adversely affected by change of law, regulation and/or practice guidance in relation to the AIFM Directive*

Changes to laws, regulations and practice guidance (including any ESMA guidance or recommendations) could adversely affect the Company or the Investment Adviser. Regulation of, and practice guidance relating to, entities such as the Company, and their AIFMs and depositaries, is evolving and subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. Changes to the legal and regulatory regime applicable to the Investment Adviser could adversely affect the Company because of the Company’s reliance upon the continuing availability to it of the expertise of Investment Adviser and the likelihood that such changes would increase the on-going costs borne, directly or indirectly, by the

Company by virtue of the contractual arrangements agreed between the Company and the Investment Adviser. The effect of any future legal or regulatory change (including changes in practice guidance) on the Company or on the Investment Adviser is not possible to predict, but could be substantial and adverse.

4.5 ***Changes to the AIFM Directive regime or its interpretation, or JTC Global AIFM Solutions Limited becoming unable to act as the Company's AIFM, may have a material adverse effect on the Company***

As the AIFM for the Company, JTC Global AIFM Solutions Limited is required to comply with on-going capital, reporting and transparency obligations and a range of organisational requirements and conduct of business rules. The AIFM must also, as the AIFM for the Company, adopt a range of policies and procedures addressing areas such as risk management, liquidity management, conflicts of interest, valuations, compliance, internal audit and remuneration. If the AIFM were to fail to comply with the legal and other regulatory requirements applicable to an authorised AIFM or otherwise cease to hold authorisation as an AIFM, the AIFM would not be permitted to continue to manage the Company and a successor AIFM duly authorised as an AIFM would need to be appointed to perform this function. The Company is reliant upon the investment expertise of the AIFM and there is no guarantee that a suitably qualified successor AIFM could be found or could be engaged on terms comparable to those applicable to the AIFM. Any transition to a successor AIFM could result in significant costs being incurred by the Company and material disruptions to its investment activities and operations and to the marketing of interests in the Company.

Changes to the AIFM Directive regime or new recommendations and guidance as to its implementation may impose new operating requirements and result in a change in the operating procedures of the AIFM and its relationship with the Company and service providers and may impose restrictions on the investment activities that the AIFM (and in turn the Company) may engage in. Such changes may increase the on-going costs borne, directly or indirectly, by the Company by virtue of the contractual arrangements agreed between the Company and the Investment Adviser and between the Company AIFM and service providers.

These factors may have a material adverse effect on the Company's financial condition, business, prospects and results of operations.

4.6 ***FATCA***

The US Foreign Account Tax Compliance Act of 2010 (commonly known as "**FATCA**") is a set of provisions contained in the US Hiring Incentives to Restore Employment Act 2010. FATCA is aimed at reducing tax evasion by US citizens.

FATCA imposes a withholding tax of 30 per cent. on (i) certain US source interest, dividends and certain other types of income; and (ii) the gross proceeds from the sale or disposal of assets which produce US source interest or dividends, which are received by a foreign financial institution ("**FFI**"), unless the FFI complies with certain reporting and other related obligations under FATCA. The UK has concluded an intergovernmental agreement ("**IGA**") with the US, pursuant to which parts of FATCA have been effectively enacted into UK law.

Under the IGA, an FFI that is resident in the UK (a "**Reporting FI**") is not subject to withholding under FATCA provided that it complies with the terms of the IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by US persons owning, directly or indirectly, an equity or debt interest in the Reporting FI (other than equity and debt interests that are regularly traded on an established securities market, for which see below), and report on accounts held by certain other persons or entities to HMRC.

The Company expects that it will continue to be treated as a Reporting FI pursuant to the IGA and that it will continue to comply with the requirements under the IGA. The Company also expects that its Ordinary Shares may, in accordance with current HMRC practice, comply with the conditions set out in the IGA to be "regularly traded on an established securities market" meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC for FATCA purposes (although such reporting may be required for the purposes of the Common Reporting Standard ("**CRS**"), as to which see below). However, there can be no assurance that the Company will continue to be treated as a

Reporting FI, that its Ordinary Shares will be considered to be “regularly traded on an established securities market” or that it will not in the future be subject to withholding tax under FATCA or the IGA. If the Company becomes subject to a withholding tax as a result of FATCA or the IGA, the return on investment of some or all Shareholders may be materially adversely affected.

FATCA and the IGA are complex. The above description is based in part on regulations, official guidance and the IGA, all of which are subject to change. All prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Company.

4.7 Automatic exchange of information (“AEOI”)

To the extent that the Company may be a reporting financial institution under FATCA and/or CRS (a “**Financial Institution**”), it may require Shareholders to provide it with certain information in order to comply with its AEOI obligations which information may be provided to HMRC who may in turn exchange that information with certain other jurisdictions.

4.8 Risks relating to US taxation

The Company may be treated as a “passive foreign investment company” (“**PFIC**”) for US federal income tax purposes, which could have adverse consequences to US holders. A non-US company (such as the Company) is deemed to be a PFIC if, during any taxable year, (i) 75 per cent. or more of its gross income consists of certain types of passive income, or (ii) the average value (or basis in certain cases) of its passive assets (generally assets that generate passive income) is 50 per cent. or more of the average value (or basis in certain cases) of all of its assets. For purposes of these tests, “passive income” includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business.

The determination of PFIC status is a factual determination that must be made annually at the close of each taxable year. It has not been determined whether the Company will be treated as a PFIC in the current or preceding taxable years. Whether the Company is a PFIC in any taxable year will depend on whether and the extent to which it is treated as receiving rents in the conduct of an active business. If the Company were classified as a PFIC in any year with respect to which a US holder owns Ordinary Shares, the Company would continue to be treated as a PFIC with respect to the US holder in all succeeding years during which the US holder owns such securities, regardless of whether the Company continues to meet the tests described above.

If the Company were treated as a PFIC for US tax purposes, US holders may become subject to certain US reporting obligations and to adverse US federal income tax consequences, including with respect to the distributions received and the gain, if any, derived from the sale or other disposition of New Ordinary Shares or Placing Programme Shares. Specifically, the PFIC rules could have the effect of subjecting US holders to an interest charge on any “deferred tax amounts” and taxing gain upon the sale of shares as ordinary income. Certain of these adverse tax consequences may be mitigated if a US holder makes a mark-to-market election. However, no assurance can be provided that a mark-to-market election is or will be available for the New Ordinary Shares or Placing Programme Shares. The Company does not expect to provide US holders with sufficient information to make a “qualified electing fund” election.

US investors are urged to consult their own tax advisors with respect to their own particular circumstances and with respect to the applicability of the PFIC rules and the availability of, and the procedures for making, any available US federal income tax elections to mitigate the impact of the PFIC rules.

4.9 Additional risks to investors in the US

Not all rights available to shareholders under United States law will be available to holders of the Ordinary Shares. Shareholders may have difficulty in effecting service of process on the Company or the Directors or officers of the Company in the US, in enforcing US judgements in the UK or in enforcing US securities laws in UK courts.

PART 3

IMPORTANT INFORMATION

1 General

Prospective investors must rely only on the information contained in this document and any supplementary prospectus produced to supplement the information contained in this document. No person has been authorised to issue any advertisements or to give any information or to make any representations in connection with the Initial Issue or the Placing Programme, other than those contained in this document and, if issued, given or made, such advertisement, information or representation may not be relied upon as having been authorised by or on behalf of the Company, the Directors, the officers or employees of the Company or any other person.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Article 23 of the Prospectus Regulation, neither the delivery of this document at any time nor any subscription or purchase made under this document shall, under any circumstances, create any implication that there has not been a change in the business or affairs of the REIT Group taken as a whole since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

None of the Company, the Directors, the Investment Adviser or Stifel, or any of their respective affiliates or representatives, is making any representation to any prospective investor regarding the legality of an investment in the Company by any such prospective investor under the laws applicable to any such prospective investor.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Investment Adviser, Stifel or any of their respective affiliates and representatives that any recipient of this document should subscribe for or purchase Ordinary Shares. Prior to making any decision as to whether to subscribe for or purchase Ordinary Shares, prospective investors should read this document in its entirety. Prospective investors should ensure that they read the whole of this document carefully and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this document, including the risks involved.

Apart from the liabilities and responsibilities (if any) which may be imposed on Stifel by FSMA or the regulatory regime established thereunder, Stifel does not make any representation or warranty, express or implied, nor accepts any responsibility whatsoever for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Adviser, the New Ordinary Shares or the Initial Issue, the Placing Programme Shares or the Placing Programme. Stifel (and its respective affiliates, directors, officers or employees) accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which they might otherwise have in respect of this document or any such statement.

Investors who subscribe for or purchase New Ordinary Shares and/or Placing Programme Shares will be deemed to have acknowledged that (i) they have not relied on Stifel or any of their respective affiliates or representatives in connection with any investigation of the accuracy of any information contained in this document or their investment decision and (ii) they have relied on the information contained in this document, and no person has been authorised to issue any advertisement, give any information or make any representation concerning the REIT Group or the New Ordinary Shares or Placing Programme Shares (other than as contained in this document) and, if issued, given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Investment Adviser, Stifel or any of their respective affiliates or representatives.

In connection with the Initial Issue, Stifel and any of its affiliates, acting as an investor for its or their own account(s), may take up New Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such New Ordinary Shares and other securities of the Company or related investments in connection with the Initial Issue or otherwise. Accordingly, references in this document to New Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, Stifel and any of its affiliates acting as an investor for its or their own account(s). Stifel does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

2 Interpretation

Certain terms used in this document, including certain capitalised terms and certain technical and other terms are defined and explained in Part 17 of this document.

3 No incorporation of website

The content of any of the websites of the REIT Group does not form part of this document and prospective investors should not rely on it.

4 Trade names, logos, trademarks and service marks

Any trade names, logos, trademarks and service marks of third parties appearing in this document are the property of their respective holders. Use or display by the Company of third parties' trade names, logos, trademarks or service marks is not intended to and does not imply a relationship with, or endorsement or sponsorship by the Company of, such third parties.

5 Market, economic and industry data

This document contains information regarding the REIT Group's business and the market in which it operates and competes, which (save as mentioned below) the Company has obtained from various third party sources.

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this document, the source of such information has been identified.

In particular, this document contains information from the following third party sources:

- IGD Services Limited (trading as The Institute of Grocery Distribution)
- Property Data Limited
- Fooddeserts.org
- Tesco plc's 2019 annual report
- Sainsbury's 2019 annual report
- Asda's 2018 annual report
- Morrisons 2018 annual report

Certain information on market sizes, projected growth rates and market positions set out in this document is not based on published statistical data or information obtained from independent third parties. Rather, it represents the Directors' estimates based on information available to them at the date of this document, including information obtained from trade and business organisations and other contacts within the Company's industry, as well as information published by its competitors and which, in each case, has not been independently verified. The reliance by the Directors on estimates reflects the fact that there is no single, recognised definition of the scope of the industry, the absence of publicly available information for certain participants in the industry and the absence of detailed breakdowns of information for certain participants. Trends described as industry trends may not apply across the industry due to the

diversity of participants and, as such, may have a greater or lesser impact on the Group than on other participants. Please also refer to Part 2 and paragraph 8 of this Part 3, of this document.

6 Currency presentation

Unless otherwise indicated, all references in this document to “Pounds Sterling”, “Pounds”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom.

7 Roundings

Certain data in this document, including financial and operating information and other statistical information, has been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

In certain instances, the sum of the numbers in a column or a row in tables contained in this document may not conform exactly to the total figure given for that column or row. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

8 Forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “forecasts”, “plans”, “prepares”, “anticipates”, “expects”, “intends”, “may”, “will”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters about future events and developments and with respect to future financial results as well as other statements that do not relate to historical facts and events. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company and the Directors concerning, amongst other things, financing strategies, results of operations, financial condition, liquidity, prospects and dividend policy of the Company and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance and no assurance can be or is given that such future results will be achieved. The Company’s actual results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Group, and the development of its financing strategies, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to, those factors set out in Part 2 of this document.

Prospective investors are advised to read this document in its entirety for a further discussion of the factors that could affect the Company’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

Consequently, neither the Company nor the Directors can give any assurances regarding the accuracy of the opinions set out in this document or the actual occurrence of any predicted developments.

Nothing in this paragraph 8 of Part 3 of this document should be taken as limiting the working capital statement in paragraph 16 of Part 16 of this document.

The information in this document will be updated as required under the Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules and the Takeover Code. Subject to the foregoing sentence, the Company and Stifel expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or

circumstances on which any statement is based. All subsequent forward-looking statements that can be attributed either to the Company or to individuals acting on its behalf (including the Directors) are expressly qualified in their entirety by this paragraph.

Nothing in this paragraph 8 should be taken as limiting the working capital statement in paragraph 16 of Part 16 of this document.

9 Notice to overseas Shareholders and investors

The distribution of this document and the offer of New Ordinary Shares and Placing Programme Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken by the Company in any jurisdiction that would permit a public offering of the New Ordinary Shares or Placing Programme Shares, or possession or distribution of this document (or any other offer or publicity material or any application form relating to the New Ordinary Shares and the Placing Programme Shares) in any country or jurisdiction where action for that purpose is required. Accordingly, neither the New Ordinary Shares nor the Placing Programme Shares may be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the New Ordinary Shares and the Placing Programme Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction.

This document does not constitute an offer to subscribe for or purchase any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. No persons receiving a copy of this document in any such jurisdiction may treat this document as constituting an offer, invitation or solicitation to them to subscribe for or purchase Ordinary Shares in the relevant jurisdiction notwithstanding that such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement.

Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of the New Ordinary Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Australia

This document has not been, and will not be, lodged with the Australian Securities and Investments Commission as a disclosure document under Chapter 6D of the Australian Corporations Act 2001 (the “**Australian Corporations Act**”). This document does not purport to include the information required of a disclosure document under Chapter 6D of the Corporations Act. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of New Ordinary Shares must not be issued or distributed directly or indirectly in or into Australia, and no New Ordinary Shares or Placing Programme Shares may be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least 12 months after their issue, except in circumstances where disclosure to investors is not required under Part 6D.2 of the Corporations Act.

Each purchaser of New Ordinary Shares or Placing Programme Shares will be deemed to have acknowledged the above and, by applying for New Ordinary Shares under this document, gives an undertaking to the Company not to offer, sell, transfer, assign or otherwise alienate those securities to persons in Australia (except in the circumstances referred to above) for 12 months after their issue.

Canada

Neither the New Ordinary Shares nor the Placing Programme Shares have been and will not be qualified by a prospectus in accordance with the document requirements under applicable securities law in any Canadian jurisdiction and therefore may not be offered or sold, directly or indirectly, in Canada except in compliance with applicable Canadian securities laws.

European Economic Area

In relation to each Member State of the European Economic Area (each, a “**Member State**”), no New Ordinary Shares or Placing Programme Shares have been offered or will be offered pursuant to the Initial Issue or the Placing Programme to the public in that Member State prior to the publication of a prospectus in relation to the New Ordinary Shares or Placing Programme Shares (as applicable) having been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State (all in accordance with the Prospectus Regulation), except that offers of New Ordinary Shares and Placing Programme Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a “qualified investor” as defined under the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than “qualified investors” as defined under the Prospectus Regulation), subject to obtaining the prior consent of Stifel for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of New Ordinary Shares or Placing Programme Shares shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to any offer of New Ordinary Shares or Placing Programme Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Initial Issue or the Placing Programme, and any New Ordinary Shares or Placing Programme Shares to be offered, so as to enable an investor to decide to purchase or subscribe for any New Ordinary Shares or Placing Programme Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

In the case of any New Ordinary Shares and/or Placing Programme Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will be deemed to have represented, warranted, acknowledged and agreed that the New Ordinary Shares purchased and/or subscribed for by it in the Initial Issue and/or the Placing Programme Shares purchased and/or subscribed for by it in the Placing Programme have not been purchased and/or subscribed for on a non-discretionary basis on behalf of, nor have they been purchased and/or subscribed for with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Ordinary Shares and/or Placing Programme Shares to the public other than their offer or resale in a Member State to “qualified investors” (as defined in the Prospectus Regulation) or in circumstances in which the prior consent of Stifel has been obtained to each such proposed offer or resale.

The Company and its affiliates, representatives and others will rely upon the truth and accuracy of the foregoing representation, warranty, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified Stifel of such fact in writing may, with the consent of Stifel, be permitted to subscribe for and/or purchase New Ordinary Shares in the Initial Issue and/or the Placing Programme Shares in the Placing Programme.

Japan

The New Ordinary Shares and Placing Programme Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948 as amended) (“**Financial Instruments and Exchange Act**”), and may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan (including any corporation or entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan.

South Africa

This document will not be registered as a prospectus in terms of the Companies Act 1973 in South Africa and, as such, any offer of New Ordinary Shares and/or Placing Programme Shares in South Africa may only be made if it shall not be capable of being construed as an offer to the public as envisaged by section 144 of the Companies Act 1973 in South Africa. Furthermore, any offer or sale of the New Ordinary Shares or Placing Programme Shares shall be subject to compliance with South Africa's exchange control regulations.

Switzerland

This document may only be freely circulated and interests in the Company may only be freely offered, distributed or sold to regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of collective investment schemes and central banks as well as to regulated insurance companies.

Circulating this document and offering, distributing or selling New Ordinary Shares or Placing Programme Shares to other persons or entities including **qualified investors** as defined in the Federal Act on Collective Investment Schemes ("**CISA**") and its implementing Ordinance ("**CISO**") may trigger, in particular, (i) licensing/prudential supervision requirements for the distributor and/or the Company, (ii) a requirement to appoint a representative and paying agent in Switzerland and (iii) the necessity of a written distribution agreement between the representative in Switzerland and the distributor. **Accordingly, legal advice should be sought before providing this document to and offering, distributing or selling/on-selling New Ordinary Shares or Placing Programme Shares to any other persons or entities.**

This document does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. Neither the New Ordinary Shares nor the Placing Programme Shares will be listed on the SIX Swiss Exchange nor on any other stock exchange or regulated trading facility in Switzerland, and consequently, the information presented in this document does not necessarily comply with the information and disclosure standards set out in the relevant listing rules. The documentation of the Company has not been and will not be filed and approved, and may not be able to be approved, by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") under the Swiss Collective Investment Schemes Act (CISA). Therefore, investors do not benefit from protection under the CISA or supervision by FINMA. This document does not constitute investment advice. It may only be used by those persons to whom it has been provided in connection with the New Ordinary Shares and Placing Programme Shares and may neither be copied nor directly or indirectly distributed or made available to other persons.

If you (or any person for whom you are acquiring New Ordinary Shares or Placing Programme Shares) are in Switzerland, you (and any such person) represent and warrant that you are (i) a regulated financial intermediary such as a bank, securities dealer, fund management company, asset manager of collective investment schemes or a central bank, or (ii) a regulated insurance institution.

The United States

The Initial Issue is not a public offering (within the meaning of the Securities Act) of securities in the United States. Neither the New Ordinary Shares nor the Placing Programme Shares have been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in reliance on Section 4(a)(2) of the Securities Act or in a transaction not subject to the registration requirements of the Securities Act and in accordance with applicable securities laws of any securities regulatory authority of any state or other jurisdiction of the United States.

Each purchaser of New Ordinary Shares or Placing Programme Shares located outside the United States, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

- (a) it is not a US Person, is not located in the US and it is acquiring the New Ordinary Shares or Placing Programme Shares in an offshore transaction meeting the requirements of Regulation S;
- (b) it is aware that the New Ordinary Shares and Placing Programme Shares have not been, and will not be, registered under the Securities Act or under any applicable securities laws or regulations of any state of the United States and may not be offered or sold in the United States or to, or for the benefit of, US Persons absent registration under, or an exemption from, or in a transaction not subject to registration under, the Securities Act;
- (c) if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the New Ordinary Shares or Placing Programme Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act;
- (d) it understands that the Company, Stifel and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, agreements and acknowledgments;
- (e) if any of the representations, agreements and acknowledgments made by it are no longer accurate or have not been complied with, it will immediately notify the Company and Stifel;
- (f) if it is acquiring any New Ordinary Shares or Placing Programme Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make, and does make, such foregoing representations, agreements and acknowledgments on behalf of each such account; and
- (g) if all or part of the funds that it is using or will use to acquire New Ordinary Shares or Placing Programme Shares are assets of an employee benefit plan (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code, or an entity whose underlying assets include plan assets for purposes of ERISA or Section 4975 of the Code by reason of a plan's investment in the entity, (i) its acquisition of New Ordinary Shares or Placing Programme Shares is permissible under the documents governing the investment of such plan assets; (ii) it has concluded that the acquisition of New Ordinary Shares or Placing Programme Shares is consistent with applicable fiduciary responsibilities under ERISA, including ERISA's prudence and diversification requirements, if applicable, and other applicable law; and (iii) its acquisition and the subsequent holding of New Ordinary Shares or Placing Programme Shares do not and will not constitute a non-exempt "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code.

Each subscriber for New Ordinary Shares or Placing Programme Shares located within the United States, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that it has received a copy of this document and such other information as it deems necessary to make an investment decision, that all of the foregoing representations (b) – (f) are hereby made and that:

- (a) it is acquiring the New Ordinary Shares or Placing Programme Shares for the subscriber's own account, does not have any contract, undertaking or arrangement with any person or entity to sell, transfer or grant a participation with respect to any of the New Ordinary Shares or Placing Programme Shares, and is not acquiring the New Ordinary Shares or Placing Programme Shares with a view to or for sale in connection with any distribution of the New Ordinary Shares or Placing Programme Shares;
- (b) it or a purchaser representative, adviser or consultant relied upon by it in reaching a decision to subscribe has such knowledge and experience in financial, tax and business matters as to enable it or such adviser or consultant to evaluate the merits and risks of an investment in the Company and to make an informed investment decision with respect thereto;
- (c) it understands and agrees that the New Ordinary Shares or Placing Programme Shares (i) will be offered and sold to it in a transaction that will not be registered under the Securities Act or under any state law, (ii) have not been and will not be registered for offer or sale by it under the Securities Act or any state law, and (iii) may not be re-

offered or resold except in accordance with the Securities Act and the rules and regulations thereunder, and all relevant state securities and blue sky laws, rules and regulations; and it understands that the Company has no intention to register the Company, the New Ordinary Shares or the Placing Programme Shares with the SEC or any state and is under no obligation to assist it in obtaining or complying with any exemption from registration. The Company may require that any transferor furnish a legal opinion satisfactory to the Company and its counsel that the proposed transfer complies with any applicable federal, state and any other applicable securities laws. Appropriate stop transfer instructions may be placed with respect to the New Ordinary Shares and Placing Programme Shares and any certificates issued representing the New Ordinary Shares and Placing Programme Shares will contain the following legend;

THE ORDINARY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IN ANOTHER TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF, THE UNITED STATES.

NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE ORDINARY SHARES REPRESENTED HEREBY. THE ORDINARY SHARES REPRESENTED HEREBY ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT AND FOR SO LONG AS SUCH SHARES ARE "RESTRICTED SECURITIES", THEY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ORDINARY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF ORDINARY SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

- (d) in formulating a decision to invest in the Company, it has not relied or acted on the basis of any representations or other information purported to be given on behalf of the Company except as set forth herein (it being understood that no person has been authorised by the Company to furnish any such representations or other information);
- (e) it recognises that there is currently no public market for the New Ordinary Shares or Placing Programme Shares in the United States and that such a market in the United States is not expected to develop; its overall commitment to the Company and other investments which are not readily marketable is not disproportionate to its net worth and it has no need for immediate liquidity in its investment in the New Ordinary Shares or Placing Programme Shares;
- (f) it can afford a complete loss of its investment in the Company and can afford to hold its investment in the Company for an indefinite period of time;
- (g) if it is not a "natural person," it has not been and will not be formed or "recapitalized" (as defined below) for the specific purpose of purchasing the New Ordinary Shares or Placing Programme Shares and has substantial assets in addition to the funds to be used to purchase the New Ordinary Shares or Placing Programme Shares;
- (h) neither the New Ordinary Shares nor the Placing Programme Shares have been offered to it by means of any general solicitation or general advertising or directed selling efforts by the Company or any person acting on its behalf, including without limitation (i) any advertisement, article, notice, or other communication published in any newspaper,

magazine, or similar media or broadcast over television or radio, or contained on a website that is not password-protected, or (ii) any seminar or meeting to which it was invited by any general solicitation or general advertising or directed selling efforts;

- (i) it is a QIB, an Accredited Investor and a Qualified Purchaser and has delivered to Stifel an investor representation letter; and
- (j) if all or part of the funds that it is using or will use to acquire New Ordinary Shares or Placing Programme Shares are assets of an employee benefit plan (as defined in Section 3(3) of ERISA subject to Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code or an entity whose underlying assets include plan assets for purposes of ERISA or Section 4975 of the Code by reason of a plan's investment in the entity: (a) its acquisition of New Ordinary Shares or Placing Programme Shares is permissible under the documents governing the investment of such plan assets; (b) it has concluded that the acquisition of New Ordinary Shares is consistent with applicable fiduciary responsibilities under ERISA (including ERISA's prudence and diversification requirements) and other applicable law, if any; and (c) its acquisition and the subsequent holding of New Ordinary Shares or Placing Programme Shares do not and will not constitute a non-exempt "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code.

Jersey

Subject to exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of New Ordinary Shares or Placing Programme Shares, and this document shall not be circulated in Jersey, without first obtaining consent from the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. No such consents have been obtained by the Company. Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended. It must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company.

Guernsey

This document has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey, and may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey or than (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and company Directors etc. (Bailiwick of Guernsey) Law, 2000.

The Republic of Ireland

Neither the New Ordinary Shares nor the Placing Programme Shares will be offered, sold, placed or underwritten in Ireland (a) except in circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of Directive 2003/71/EC as implemented in Ireland pursuant to, this document (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005), as amended, and the rules issued by the Central Bank of Ireland (the "CBI") under Section 1363 of the Irish Companies Act 2014 (the "**Irish Companies Act**"); (b) otherwise than in compliance with the provisions of the Irish Companies Act; (c) otherwise than in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007), as amended, and Stifel and any introducer appointed by the Company will conduct themselves in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the CBI with respect to anything done by them in relation to the Company; (d) otherwise than in compliance with the provisions of the Market Abuse Regulation (EU) No. 596/2014, together with all delegated and implementing regulations introduced thereunder, the European Union (Market Abuse) Regulations 2016 (S.I. No. 349 of 2016) and

the rules issued by the CBI under Section 1370 of the Irish Companies Act; and (e) except to “professional investors” as defined in the Alternate Investment Fund Managers Directive (Directive 2011/61/EU) (“AIFMD”) and otherwise in accordance with the AIFMD, Commission Delegated Regulation 231/2013, the Irish European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013), as amended, and any rules issued by the CBI pursuant thereto.

The Netherlands

No offer of New Ordinary Shares or Placing Programme Shares, which are the subject of the Initial Issue contemplated by this document, has been made or will be made in the Netherlands, unless in reliance on Article 3(2) of the Prospectus Regulation and provided such offer is made exclusively to individuals who or legal entities which are or considered to be “qualified investors” (*gekwalificeerde beleggers*) within the meaning of section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the *Wft*).

The Isle of Man

The Initial Issue and the Placing Programme are available, and are and may be made, in or from within the Isle of Man and this document is being provided in or from within the Isle of Man only:

- (i) by persons licensed to do so under the Isle of Man Financial Services Act 2008; or
- (ii) to persons: (a) licensed under Isle of Man Financial Services Act 2008; or (b) falling within exclusion 2(r) of the Isle of Man Regulated Activities Order 2011 (as amended); or (c) whose ordinary business activities involve them in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of their business.

The Initial Issue and Placing Programme referred to in this document and this document are not available in or from within the Isle of Man other than in accordance with paragraphs (i) and (ii) above and must not be relied upon by any person unless made or received in accordance with such paragraphs.

Other overseas territories

Investors in jurisdictions other than Australia, Canada, Japan, South Africa, Switzerland and the United States should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to purchase any New Ordinary Shares and/or Placing Programme Shares.

10 Notice 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 Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares and Placing Programme Shares have been subject to a product approval process, which has determined that the New Ordinary Shares and Placing Programme 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 to retail investors through advised sales only and to professional clients and eligible counterparties 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 Ordinary Shares may decline and investors could lose all or part of their investment; Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares or Placing Programme 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 Placing Programme. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Stifel will only procure investors who meet the criteria of professional clients and eligible counterparties.

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 or Placing Programme Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and Placing Programme Shares and determining appropriate distribution channels.

11 Packaged retail and insurance-based investments products (“PRIIPs”)

Prospective investors should be aware that the PRIIPs Regulation requires the Company, as PRIIP manufacturer, to prepare a key information document (“KID”). This KID may be available by the Company to retail investors prior to them making any investment decision and is available on the Company’s website at www.supermarketincomereit.com. The content of KIDs is highly prescriptive, both in terms of the calculations underlying the numbers and the narrative, with limited ability to add further context and explanations, and therefore the KID should be read in conjunction with other material produced by the Company, including the annual report, the quarterly factsheets and this document, all of which are available on the Company’s website.

12 London time

All references to time in this document are to London time, unless otherwise stated.

13 Advice

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, taxation, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

14 Constitution

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of Association.

PART 4

INITIAL ISSUE STATISTICS AND EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The Initial Issue statistics and timetable in this document are subject to change at the determination of the Company, following consultation with Stifel. Any such change will be publicly announced by the Company via an RIS announcement.

INITIAL ISSUE

2019

Placing and Offer for Subscription opens	8.00 a.m. on 12 September
Latest time and date for receipt of completed Application Forms and payment in full under the Offer for Subscription	11.00 a.m. on 1 October
Latest time and date for receipt of placing commitments under the Placing	1.00 p.m. on 2 October

OTHER KEY DATES

General Meeting	3.00 p.m. on 1 October
Announcement of the results of the Initial Issue	3 October
Admission of the New Ordinary Shares to trading on the SFS of the LSE's Main Market for listed securities	8.00 a.m. on 7 October
Crediting of CREST stock accounts	as soon as practicable after 8.00 a.m. on 7 October
Despatch of definitive share certificates (where applicable)	as soon as practicable after 8.00 a.m. on 7 October

INITIAL ISSUE STATISTICS¹

Issue Price	102 pence
Number of Existing Ordinary Shares in issue at the Latest Practicable Date	239,833,219
New Ordinary Shares being issued up to	49,019,607

PLACING PROGRAMME

Placing Programme opens	12 September
Placing Programme closes	11 September 2020

DEALING CODES

Ticker	SUPR
ISIN for the New Ordinary Shares	GB00BF345X11
SEDOL for the New Ordinary Shares	BF345X1

¹ The Directors may increase the size of the Initial Issue by reallocating Ordinary Shares available under the Placing Programme to the Initial Issue if they, in consultation with Stifel and the Investment Adviser, believe there is sufficient investor demand and assets available and suitable for investment.

PART 5

DIRECTORS, REGISTERED OFFICE, SECRETARY AND ADVISERS

Directors

Nick Hewson – (Non-Executive Chairman)
Vincent Prior – (Non-Executive Director)
Jon Austen – (Non-Executive Director)

Registered office

7th Floor
9 Berkeley Street
London
W1J 8DW

AIFM

JTC Global AIFM Solutions Limited
Ground Floor
Dorey Court
Admiral Park
Guernsey
GY1 2HT

Investment Adviser

Atrato Capital Limited
33 Wigmore Street
London W1U 1BZ

Sole Bookrunner, Financial Adviser and Placing Agent

Stifel Nicolaus Europe Limited
4th Floor
150 Cheapside
London
EC2V 6ET

Legal advisers to the Company as to English law

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Legal advisers to the Company as to US law

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York
NY 10004-1482

Legal advisers to Stifel

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

Administrator and Company Secretary

JTC (UK) Limited
7th Floor
9 Berkeley Street
London
W1J 8DW

Registrar

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Receiving Agent

Link Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Auditor and Reporting Accountant

BDO LLP
55 Baker Street
London
W1U 7EU

PART 6

LETTER FROM THE CHAIRMAN

Directors: Nick Hewson
Vincent Prior
Jon Austen

Registered office: 7th Floor
9 Berkeley Street
London
W1J 8DW

12 September 2019

Dear Shareholder

Proposed Placing, Offer for Subscription and proposed Placing Programme

1 Introduction

The Board of Supermarket Income REIT plc announced on 12 September 2019 that it intends to raise up to approximately £50 million (before expenses) by way of the Placing and Offer for Subscription (together being the “**Initial Issue**”).

Pursuant to the Placing Agreement, Stifel has agreed to use its reasonable endeavours to procure subscribers for New Ordinary Shares under the Placing at the Issue Price.

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.

In addition to the Initial Issue, the Company is proposing to implement the Placing Programme. Under the Placing Programme, the Company intends to issue up to 200 million new Ordinary Shares (less the number of New Ordinary Shares issued pursuant to the Initial Issue) in Tranches. Each Tranche will comprise a placing on similar terms to the Placing. The issue price for Placing Programme Shares issued pursuant to the Placing Programme is not known at the date of this document and may be different from the Issue Price of New Ordinary Shares issued pursuant to the Initial Issue.

The Board has reserved the right, in consultation with Stifel and the Investment Adviser, to increase the size of the Initial Issue if there is sufficient investor demand and sufficient assets available and suitable for investment, by increasing the size of the Placing, the Offer for Subscription or both by reallocating Ordinary Shares available under the Placing Programme to the Initial Issue. The maximum number of new Ordinary Shares to be issued under the Initial Issue and the Placing Programme is 200 million.

I am writing to give you further details of the Initial Issue and Placing Programme, to explain why the Board considers the Initial Issue and the Placing Programme to be in the best interests of the Company and the Shareholders as a whole and to seek your approval of the Resolutions to be proposed at the General Meeting in connection with the Initial Issue and the Placing Programme.

2 Background to, and reasons for, the Initial Issue and Placing Programme

2.1 *Background and summary information on the REIT Group*

The Company is a public limited company incorporated in England and Wales on 1 June 2017. On 21 July 2017, all of the then issued Ordinary Shares were admitted to trading on the SFS by way of an initial public offering, raising gross proceeds of £100 million through the issue of 100,000,000 Ordinary Shares at a price of 100 pence per Ordinary Share (the “**IPO**”). The Company is the principal company of the REIT Group. Since IPO, the Company has raised through equity fundraisings gross proceeds of approximately £140 million to invest in supermarket assets.

In accordance with the Company's Investment Policy, since its IPO the Company has invested in eight 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 through active asset management opportunities.

The targeted long term net total shareholder return (consisting of NAV progression and dividends) is currently 7 to 10 per cent. per annum.

2.2 **Reasons for the Initial Issue and the Placing Programme**

The REIT Group continues to see opportunities to purchase assets at attractive yields and with the potential to secure good quality income streams which can be distributed to Shareholders through the Company's quarterly dividend programme. The Portfolio also offers continued potential for capital growth, which has the potential to supplement the income returns generated from the REIT Group's assets.

The Directors continue to see a range of acquisition and development opportunities which meet the REIT Group's acquisition and investment criteria, giving rise to an attractive pipeline of capital deployment opportunities.

Accordingly, the REIT Group is seeking to raise additional finance through the Initial Issue and the Placing Programme, which it will seek to deploy, together with debt finance where relevant and appropriate, in line with its investment strategy.

The Placing Programme is being instituted in order to allow the Company to tailor future equity issuance to its immediate pipeline, providing flexibility and minimising cash drag. The total net proceeds of the Placing Programme will depend on the number of Placing Programme Shares issued throughout the Placing Programme, the issue price of such Placing Programme Shares, and the aggregate costs and commissions for each Tranche.

The issue price of Placing Programme Shares issued pursuant to the Placing Programme will be determined by the Board and will be calculated with reference to the most recent NAV per Share at the time of issue and rounded to two decimal places. In determining the issue price of Placing Programme Shares, the Board will also take into consideration, *inter alia*, the prevailing market conditions at that time. The issue price of Placing Programme Shares will be announced by the Company through an RIS announcement.

The Directors believe that the Initial Issue and the Placing Programme also provide the REIT Group with the opportunity to capitalise on further economies of scale that an enhanced capital base may bring.

3 **Use of proceeds**

The Company is seeking to raise up to approximately £204 million (before expenses) through the Initial Issue and Placing Programme. The Company will use the Net Issue Proceeds to acquire investments in accordance with the Company's investment objective and the Investment Policy.

The costs and expenses of the Initial Issue and the Placing Programme payable by the Company, including any fees and commissions payable to Stifel, the fees payable to professional advisers and other related expense, are expected to be approximately £4.2 million (on the assumption that the Initial Issue and the Placing Programme are fully subscribed for and 200 million new Ordinary Shares are issued at the Issue Price under the Initial Issue and the Placing Programme).

Based on the assumption set out above, the aggregate proceeds of the Initial Issue and the Placing Programme, after deduction of expenses, are expected to be approximately £199.8 million.

3.1 **Pipeline**

The Investment Adviser has identified three assets with an aggregate value of approximately £140 million which meet the Investment Policy criteria (the "**Target Assets**"). The Investment Adviser has undertaken its own due diligence and negotiations in connection with certain of

the Target Assets. Following Admission, the Directors may or may not accept the Target Assets or other assets as being suitable for the Company and may or may not pursue any such opportunities.

As at the date of this document, the Investment Adviser has entered into exclusivity arrangements with the owner(s) 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.

Set out below are a number of key attributes in relation to the Target Assets. If all the Target Assets were acquired, the total expected purchase price would be approximately £140 million. The £50 million target issue size pursuant to the initial Issue should enable the Company to purchase two of the Target Assets. If the Company raises less than £50 million pursuant to the Initial Issue, 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.

This table provides an overview only of the characteristics of the Target Assets which the Investment Adviser is targeting on behalf of the Company:

	Asset One	Asset Two	Asset Three
Expected purchase price	£60m	£50m	£30m
Passing rent – September 2019	£3.5m	£3.0m	£2.0m
Location	South West	North West	East Midlands
Approx size (acres)	6	10	10
Approx size GIA (sq ft)	100,000	100,000	90,000
Approx size NSA (sq ft)	85,000	70,000	65,000
Expected net initial yield	5.25%	5.2%	5.0%
Unexpired lease term	13 years	17 years	17 years
RPI terms	4% cap, 1% floor	4% cap, 1% floor	4% cap, 1% floor
Occupier	Sainsbury's	Sainsbury's	Sainsbury's
Source	Off market	Off market	Off market

In addition to the Target Assets, the Company has indentified a strong investment pipeline of a further four assets and has started to perform preliminary due diligence on these assets.

4 Effects of the Initial Issue

4.1 Financial effects

Upon Admission, assuming Gross Initial Issue Proceeds of approximately £50 million, the Enlarged Share Capital of the Company will be 288,852,826 Ordinary Shares. This includes 239,833,219 Existing Ordinary Shares, and 49,019,607 New Ordinary Shares to be issued pursuant to the Initial Issue. On this basis, the New Ordinary Shares will represent approximately 17 per cent. of the Enlarged Share Capital (assuming Gross Initial Issue Proceeds of £50 million).

The percentage of the Company's issued share capital that the Existing Ordinary Shares represent will be reduced by 17 per cent. to 83 per cent. as a result of the Initial Issue (again, assuming Gross Initial Issue Proceeds of £50 million).

5 Key terms of the Initial Issue

The Company is proposing to raise Gross Initial Issue Proceeds of up to approximately £50 million by way of the Placing and Offer for Subscription of up to 49,019,607 New Ordinary Shares, representing, in aggregate, 17 per cent. of the Enlarged Share Capital, at an Issue Price, in each case, of 102 pence per New Ordinary Share.

The Board has reserved the right, in conjunction with Stifel, to increase the size of the Initial Issue if there is sufficient investor demand and sufficient assets available and suitable for investment, by increasing the size of the Placing, the Offer for Subscription or both by reallocating new Ordinary Shares available under the Placing Programme to the Initial Issue. The Directors will only increase the size of the Initial Issue after taking into account demand

for the New Ordinary Shares, prevailing market conditions, the estimated acquisition costs of 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 invest the proceeds.

The Issue Price of 102 pence per New Ordinary Share represents a discount of 5.1 per cent. to the Closing Price of 107.5 pence. The Issue Price has been set by the Directors following their assessment of market conditions and following discussion with a number of institutional investors. The Directors are in agreement that the level of discount and method of issue are appropriate to secure the investment sought. No taxes or expenses will be charged directly to any investor by the Company.

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.

The principal terms of the Placing Agreement are summarised in paragraph 13.1 of Part 16 of this document.

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

- Admission becoming effective by not later than 8.00 a.m. on 7 October 2019 (or such later time and/or date as the Company and Stifel may agree, being not later than 8.00 a.m. on 4 November 2019);
- the Resolutions being passed by Shareholders at the General Meeting (without material amendment); and
- the Placing Agreement becoming unconditional in all respects (save for the condition therein relating to Admission and in respect of any condition which relates to the Placing Programme) and not having been terminated in accordance with its terms prior to Admission.

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, or if the Placing Agreement is otherwise terminated in accordance with its terms, the Initial Issue will not proceed and application monies will be returned (at the applicants' risk) without interest as soon as possible. If the Initial Issue does not proceed, the Placing Programme may still be instituted assuming the Resolutions are passed.

Application will be made for the New Ordinary Shares to be admitted to trading on the SFS of the Main Market of the LSE. It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence by 8.00 a.m. on 7 October 2019.

Persons wishing to exercise statutory withdrawal rights after the issue by the Company of a prospectus supplementary to this document must do so by lodging a written notice of withdrawal (and for these purposes a written notice includes a notice given by fax or email) which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such a person is a CREST member, the participant's ID and the member account ID of such CREST member, with the Receiving Agent, so as to be received no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after the expiry of such period will not constitute a valid withdrawal.

5.1 The Placing

Stifel, as agent of the Company, has agreed to use its reasonable endeavours to place New Ordinary Shares under the Placing with institutional and certain other investors at the Issue Price.

Under the Placing, New Ordinary Shares are being offered to institutional and other investors in the United Kingdom, elsewhere outside the United States in reliance on Regulation S and in a concurrent private placement in the United States to a limited number of "qualified institutional buyers" as defined in Rule 144A under the Securities Act that are also both "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder and "accredited investors" as defined in Rule 501 under the Securities Act.

The Placing will close at 1.00 p.m. on 2 October 2019 (or such later date, not being later than 4 November 2019, as the Company and Stifel may agree). If the Placing is extended, the revised timetable will be notified by the Company via an RIS announcement.

Participants in the Placing will be advised verbally or by electronic mail of their allocation as soon as practicable following allocation. Investors will be contractually committed to acquire the number of New Ordinary Shares allocated to them at the Issue Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment.

When admitted to trading, New Ordinary Shares issued under the Placing will be registered with ISIN (International Securities Identification Number) GB00BF345X11 and SEDOL (Stock Exchange Daily Official List) number BF345X1.

The Placing is conditional upon, among other things:

- the Placing Agreement becoming wholly unconditional (save as to the condition therein relating to Admission and in respect of any condition which relates to the Placing Programme) and not having been terminated in accordance with its terms at any time prior to Admission;
- the Resolutions being passed by Shareholders at the General Meeting without material amendment; and
- Admission having become effective on or before 8.00 a.m. on 7 October 2019 or such later time and/or date as the Company and Stifel may agree (not being later than 8.00 a.m. on 4 November 2019).

The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Placing. If such right is exercised, the Placing will lapse and any monies received in respect of the Placing will be returned to investors without interest.

5.2 ***The Offer for Subscription***

New Ordinary Shares are also available under the Offer for Subscription at the Issue Price. Further information on the Offer for Subscription and the terms and conditions thereof, including the procedure for application and payment, are set out in Part 19 of this document and, where relevant, in the Application Form. The number of New Ordinary Shares issued under the Offer for Subscription may be scaled back to satisfy applications under the Placing.

Applications under the Offer for Subscription must be for New Ordinary Shares at the Issue Price, being 102 pence per New Ordinary Share. The aggregate subscription price is payable in full on application. Individual applications must be for a minimum subscription of 1,000 New Ordinary Shares and then in multiples of 1,000 New Ordinary Shares thereafter, although the Board may accept applications below the minimum amounts stated above in its absolute discretion. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

Completed Application Forms accompanied either by a cheque or banker's draft or appropriate delivery versus payment ("DVP") instructions in relation to the Offer for Subscription must be posted or delivered by hand (during normal business hours) to the Receiving Agent, Link Asset Services so as to be received as soon as possible and, in any event, no later than 11.00 a.m. on 1 October 2019.

Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

6 **Current trading and prospects**

On 3 September 2019 the Company released its annual report and accounts for the year ended 30 June 2019 (the "**2019 Annual Report and Accounts**"). Certain parts of the 2019 Annual Report and Accounts are incorporated by reference as further detailed in Part 15 of this document.

6.1 ***Financial highlights***

The Portfolio benefits from highly attractive leases which include the following characteristics:

- a weighted average unexpired lease term of 18 years (with no break options);
- upward only, annual, RPI-linked rent reviews; and
- annualised passing rent roll of £19.2 million.

An average contracted rent increase of 3.2 per cent. was achieved in the period to 30 June 2019.

The Portfolio was independently valued on 30 June 2019 at £368.2, representing an increase of 4.8 per cent. above the aggregate acquisition price of the Portfolio (excluding acquisition costs), and reflecting an aggregated net initial yield of 4.9 per cent.

As at 30 June 2019, the net LTV ratio was 36.3 per cent. (32.4 per cent. as at 30 June 2018), with a cost of debt of 2.4 per cent. as at 30 June 2019 (2.4 per cent. as at 30 June 2018).

As at 30 June 2019, the EPRA NAV per Share was 97 pence per Ordinary Share (96 pence per Ordinary Share as at 30 June 2018).

6.2 **Events since 30 June 2019**

- On 8 July 2019, the Company declared an interim dividend of 1.419 per Ordinary Share.
- On 27 August 2019, the Company arranged a new five-year, interest-only, term loan facility with Dekabank of £47.6 million. This facility has a fixed rate of 1.89 per cent. This facility is secured against the Sainsbury's store in Preston and the Tesco supermarket in Mansfield which was acquired in April 2019. The facility also includes a £40 million uncommitted accordion option for the term of the facility.
- On 28 August 2019, the Company acquired a Sainsbury's store in Preston for £54.4 million (net of acquisition costs).

6.3 **Future prospects**

The Board believes that UK supermarket assets continue to be one of the most attractive and secure asset classes for investors seeking both income and the potential for capital growth through investment in the UK. Compared to other asset classes and other sectors within the property market, supermarket assets currently offer attractive yields.

The REIT Group has access to investment opportunities through the Investment Adviser's long-established industry contacts and extensive knowledge of the sector. The Investment Adviser has achieved a prominent position in the supermarket property sector. This expertise and network of contacts provide the Investment Adviser with access to off-market and specialised opportunities.

7 **Dividend entitlement**

At the time of the IPO, the Company stated that it would 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).

The Company has declared the following dividends since IPO:

- on 28 September 2017, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 27 October 2017;
- on 5 February 2018, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 3 March 2018;
- on 16 April 2018, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 21 May 2018;
- on 18 July 2018, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 21 August 2018;
- on 8 October 2018, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 6 November 2018;

- on 8 January 2019, an interim dividend of 1.419 pence per Ordinary Share, which was paid on 8 February 2019;
- on 8 April 2019, an interim dividend of 1.419 pence per Ordinary Share, which was paid on 7 May 2019; and
- on 8 July 2019, an interim dividend of 1.419 pence per Ordinary Share, which was paid on 7 August 2019.

The Company expects to declare a dividend in respect of the first quarter of the financial year ended 30 June 2020 on or around 8 October 2019 (the “**2020 Q1 Dividend**”). The entitlements date for the 2021 Q1 Dividend is expected to be on or around 17 October 2019 and it is expected to be paid in late November 2019. New Ordinary Shares issued pursuant to the Initial Issue will carry the right to receive the 2020 Q1 Dividend.

The level of future dividends will be determined by the Board having regard to, among other things, the financial position and performance of the REIT Group at the relevant time, UK REIT requirements and the interests of Shareholders, as a whole.

8 Overseas Shareholders

8.1 *The United States*

This document is not being made available to US Persons or persons located inside the United States except in a concurrent private placement in the United States to a limited number of persons who are reasonably believed to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act that are also both “qualified purchasers” within the meaning of Section 2(a)(51) of the Investment Company Act and the rules thereunder and “accredited investors” as defined in Rule 501 under the Securities Act and have delivered to Stifel investor representations letters. US Persons who receive this document are prohibited from redistributing this document to any person other than their advisers subject to an obligation of confidentiality in connection with such US private placement. The offer of the New Ordinary Shares and Placing Programme Shares will not be and has not been registered under the Securities Act or state securities laws, and accordingly the New Ordinary Shares and Placing Programme Shares may not be offered, sold, transferred or delivered, directly or indirectly in, into or within the United States, or to or for the benefit of any US Person, except pursuant to applicable exemptions from such registration. There will be no public offer of the New Ordinary Shares or Placing Programme Shares in the United States. The New Ordinary Shares and Placing Programme Shares are being offered or sold outside the United States to non-US Persons in offshore transactions in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act.

8.2 *Other jurisdictions*

This document is not being made available to Overseas Shareholders with registered addresses in any Restricted Jurisdiction and may not be treated as an invitation to subscribe for any New Ordinary Shares and/or Placing Programme Shares by any person resident or located in such jurisdictions or any other Restricted Jurisdiction.

Neither the New Ordinary Shares nor the Placing Programme Shares have been, and will not be, registered under the applicable securities laws of any Restricted Jurisdiction. Accordingly, the New Ordinary Shares and Placing Programme Shares may not be offered, sold, delivered or transferred, directly or indirectly, in or into any Restricted Jurisdiction to or for the account or benefit of any national, resident or citizen of any Restricted Jurisdiction.

This document has been prepared to comply with English law, the Prospectus Regulation, the Listing Rules and MAR, and the information disclosed may not be the same as that which could have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

9 Settlement and listing of, and dealings in, the New Ordinary Shares

The result of the Initial Issue is expected to be announced on 3 October 2019. 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.

Application will be made for the New Ordinary Shares to be admitted to trading on the SFS of the Main Market of the LSE. 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 7 October 2019.

The Existing Ordinary Shares are already admitted to trading on the SFS 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.

10 Non-mainstream pooled investments

The Ordinary Shares, New Ordinary Shares and Placing Programme Shares, do not constitute “non-mainstream pooled investments” for the purposes of the FCA’s Conduct of Business (“COBS”) rules and are therefore not subject to the restrictions on promotion to retail investors in COBS 4.12.

11 Further information and risk factors

Your attention is drawn to the further information set out in this document. In particular, your attention is drawn to the section entitled “**Risk Factors**”. You are advised to read the whole of this document and the documents incorporated by reference and not to rely solely on the information contained in this letter, before deciding the action to take in respect of the General Meeting.

12 General Meeting

The Initial Issue and Placing Programme are subject to a number of conditions, including the passing of the Resolutions without material amendment.

The Company currently does not have sufficient authority to allot Ordinary Shares to effect the Initial Issue or the Placing Programme. Accordingly, the Resolutions, as set out in the Notice of General Meeting, are being proposed at the General Meeting to ensure that the Directors have sufficient authority to allot and issue the New Ordinary Shares under the Initial Issue, and Placing Programme Shares under the Placing Programme, including on a non-pre-emptive basis, in addition to the authorities granted at the Company’s last annual general meeting.

Accordingly, if passed, the Resolutions would grant the Directors authority to allot equity securities up to an aggregate nominal amount of £2 million in connection with the Initial Issue and the Placing Programme as if section 561 of the Companies Act did not apply to any such allotment.

If the Resolutions are not approved at the General Meeting, the Company will be unable to complete the Initial Issue or the Placing Programme. A notice convening the General Meeting to be held at 3.00 p.m. on 1 October 2019 is set out in the Appendix to this document.

13 Directors’ participation

The Directors are interested in an aggregate of 533,431 Existing Ordinary Shares (representing approximately 2.22 per cent. of the Existing Ordinary Shares). Each of the Directors intends to participate in the Initial Issue and subscribe for 19,607 New Ordinary Shares.

Further information in relation to the Directors’ participation in the Initial Issue, their holdings of Existing Ordinary Shares as at the date of this document and their anticipated shareholdings at Admission are set out in paragraph 8.1 of Part 16 of this document.

14 Taxation

A general guide to certain aspects of current UK tax law and HM Revenue & Customs (“HMRC”) published practice as at the date of this document which applies only to certain Shareholders and prospective investors in the New Ordinary Shares pursuant to the Initial Issue and Placing Programme Shares pursuant to the Placing Programme resident for tax purposes in the UK is set out in Part 21 of this document. The summary does not purport to be a complete analysis or listing of all the potential tax consequences of holding Ordinary Shares or acquiring New Ordinary Shares pursuant to the Initial Issue or Placing Programme Shares pursuant to the Placing Programme. Shareholders and prospective investors in New Ordinary Shares and/or Placing Programme Shares are advised to consult their own independent tax advisers concerning the consequences under UK tax law of the acquisition, ownership and disposal of Ordinary Shares.

15 Action to be taken

15.1 *In respect of the Offer for Subscription*

The Directors are proposing to offer New Ordinary Shares under the Offer for Subscription, subject to the terms of and conditions to the Offer for Subscription set out in Part 19 of this document. Applications under the Offer for Subscription must be for New Ordinary Shares at the Issue Price. The aggregate subscription price is payable in full on application. Individual applications must be for a minimum subscription of 1,000 New Ordinary Shares and then in multiples of 1,000 New Ordinary Shares thereafter, although the Board may accept applications below these minimum amounts in its absolute discretion.

Full details of the terms and conditions of the Offer for Subscription and the procedure for application and payment are contained in Part 19 of this document.

15.2 *In respect of the General Meeting*

You will find at the Appendix to this document a notice convening a General Meeting to be held at 3.00 p.m. on 1 October 2019 at 20 Cursitor Street, London EC4A 1LT. A Form of Proxy for use at the General Meeting or at any adjournments thereof accompanies this document. Whether or not you intend to be present in person at the General Meeting, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible, but in any event so as to be received no later than 3.00 p.m. on 27 September 2019 by the Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham Road, Beckenham, Kent BR3 4TU. The lodging of the Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting at the General Meeting in person if you so wish. You may also submit your proxies electronically at www.signalshares.com and logging into your share portal account or registering for the share portal if you have not already done so. To register for the share portal you will need your investor code set out on the form of proxy. Once registered, you will be able to vote immediately. If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the issuer's agent, ID RA10, so that it is received no later than 3.00 p.m. on 27 September 2019.

The results of the votes cast at the General Meeting will be announced by the Company as soon as possible once known via an RIS announcement and on the Company's website (www.supermarketincomereit.com). It is expected that this will be on 1 October 2019.

15.3 *General*

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom or, if you are not, from another appropriately authorised independent financial adviser.

16 Recommendation and voting intentions

The Board believes that the Initial Issue, the Placing Programme 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.

Yours faithfully

Nick Hewson
Chairman

PART 7

PLACING PROGRAMME

1 Introduction

Under the Placing Programme, the Company is proposing to issue up to 200 million new Ordinary Shares in Tranches (less the number of New Ordinary Shares issued pursuant to the Initial Issue). Each Tranche will comprise a placing on similar terms to the Placing.

The Placing Programme is being instituted in order to allow the Company to tailor future equity issuance to its immediate pipeline, providing flexibility and minimising cash drag. Any funds raised will be invested in accordance with the Company's Investment Policy, as described in Part 8 of this document.

The total net proceeds of the Placing Programme will depend on the number of Placing Programme Shares issued throughout the Placing Programme, the issue price of such Placing Programme Shares, and the aggregate costs and commissions for each Tranche.

The size and frequency of each Tranche will be determined in the sole discretion of the Company in consultation with Stifel.

2 Terms of the Placing Programme

The Placing Programme will open on 12 September 2019 and it is anticipated that there will be a separate closing for each Tranche such that Placing Programme Shares will be allotted on such dates as are determined by the Directors until the earliest to occur of: (a) the first anniversary of the date of this document; (b) the date on which an aggregate of 200 million new Ordinary Shares have been admitted to trading on the SFS pursuant to the Initial Issue and the Placing Programme; and (c) such other date as may be agreed between Stifel and the Company. Issuances may take place at any time prior to the final closing date as set out above. In relation to a Tranche, a supplementary prospectus will be published and an announcement will be released by the Company via an RIS announcement, including details of the number of Placing Programme Shares allotted and the applicable issuance price.

The issue of Placing Programme Shares is not being and will not be underwritten and, as at the date of this document, the actual number of new Ordinary Shares to be issued under the Placing Programme is not known. The number of new Ordinary Shares available under the Placing Programme should not be taken as an indication of the number of Placing Programme Shares finally to be issued.

Placing Programme Shares will, when issued, rank *pari passu* with the existing Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Placing Programme Shares).

The issue price of Placing Programme Shares will be determined by the Board and will be calculated with reference to the most recent NAV per Share at the time of issue and rounded to two decimal places. In determining the issue price of Placing Programme Shares, the Board will also take into consideration, *inter alia*, the prevailing market conditions at that time. The issue price of Placing Programme Shares will be announced through an RIS.

The issuance of each Tranche of Placing Programme Shares is conditional upon, *inter alia*:

- admission of the Placing Programme Shares issued pursuant to such Tranche to trading on the SFS of the Main Market of the LSE;
- the Placing Agreement having become unconditional in respect of the relevant Tranche (save as regards any condition therein relating to admission of Placing Programme Shares to be issued pursuant to such Tranche to trading on the SFS of the Main Market of the LSE) and not having been terminated in accordance with its terms before such admission; and
- the Resolutions being passed at the General Meeting without material amendment.

In circumstances in which these conditions are not fully met, the relevant issue of Placing Programme Shares pursuant to the Placing Programme will not take place.

The Placing Programme will be suspended at any time when the Company is unable to issue Placing Programme Shares pursuant to the Placing Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

The total number of Placing Programme Shares issued in any Tranche will be determined at the discretion of the Directors in consultation with Stifel and the Investment Adviser after taking into account demand for the Placing Programme Shares and prevailing economic and market conditions.

Placing Programme Shares issued in any Tranche may be held in certificated form or in uncertificated form. Assuming the conditions of a Tranche are met and admission occurs, all Placing Programme Shares will be admitted to the SFS of the Main Market of the LSE regardless of whether they are held in certificated form or in uncertificated form.

3 The Placing Programme timetable

The Placing Programme will open on the date of this document and will close on the earliest to occur of: (a) the first anniversary of the date of this document; (b) the date on which an aggregate of 200 million new Ordinary Shares have been admitted to trading on the SFS of the Main Market of the LSE pursuant to the Initial Issue and the Placing Programme; and (c) such other date as may be agreed between Stifel and the Company. No Placing Programme Shares will be issued at a discount to the prevailing Net Asset Value per Share. Notification of any extension will be via an RIS announcement.

Allotment and issuances may take place at any time prior to the final closing date or the first anniversary of the date of this document. An announcement of each allotment and issue will be released by the Company via an RIS announcement, including details of the number of Placing Programme Shares allotted and issued and the applicable issue price for the allotment and issue.

4 The issue price and issue costs

It is intended that the price at which Placing Programme Shares are issued on a non-pre-emptive basis under the Placing Programme will always represent a premium to the prevailing Net Asset Value per Share.

5 General information relating to the Placing Programme

The Company, the Investment Adviser and Stifel have entered into the Placing Agreement, pursuant to which Stifel has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Placing Programme Shares made available under the Placing Programme.

Applications under each Tranche will be on the terms and conditions set out in the Part 20 of this document, as modified by any relevant supplementary prospectus applicable to the relevant Tranche.

The basis of allocation under each Tranche shall be determined by the Directors in consultation with Stifel. The Directors, in consultation with Stifel, may scale back subscriptions at their discretion and, in any event, will scale back subscriptions at their discretion if subscriptions under the Placing Programme exceed the maximum number of new Ordinary Shares available under the Placing Programme.

To the extent that any application for subscription is rejected in whole or in part, or the Directors determine in their absolute discretion that any Tranche should not proceed, monies received will be returned to each relevant applicant at its risk and without interest.

Subject to those matters on which each Tranche is conditional, the Directors, in consultation with Stifel may postpone the closing date for such Tranche.

6 Overseas investors

The attention of persons resident outside the UK is drawn to the notices to investors set out on paragraph 8 of Part 6 of this document which set out restrictions on the holding of Ordinary Shares by such persons in certain jurisdictions.

In particular investors should note that the Placing Programme Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, Placing Programme Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Persons absent registration under, or an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act.

7 Profile of a typical investor

The Ordinary Shares are designed to be suitable for institutional investors and professionally-advised private investors. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Placing Programme Shares.

PART 8

INFORMATION ABOUT THE COMPANY

1 Introduction

The Company is a public limited company incorporated in England and Wales on 1 June 2017. The Company is the principal company of a group REIT (the “**REIT Group**”). Subject to its continuing compliance with certain conditions set out Part 12 CTA 2010, the REIT Group is not charged UK corporation tax on its profits and gains derived from its Property Rental Business. The Company is registered as an investment company under section 833 Companies Act and was established as a closed-ended investment company with an indefinite life.

The Ordinary Shares, New Ordinary Shares and Placing Programme Shares do not constitute “non-mainstream pooled investments” for the purposes of the FCA’s Conduct of Business (“**COBS**”) rules and are therefore not subject to the restrictions on promotion to retail investors in COBS 4.12.

The Company has an independent board of non-executive directors and appointed the AIFM on 15 June 2017. The Company and the AIFM also appointed Atrato Capital Limited as its investment adviser with effect from the IPO. Further details of the governance of the Company are set out in Part 16 of this document.

On 21 July 2017, all of the then issued Ordinary Shares were admitted to trading on the SFS by way of an initial public offering, raising gross proceeds of £100 million through the issue of 100,000,000 Ordinary Shares at a price of 100 pence per Ordinary Share.

On 30 August 2017, the Company announced that it had secured a revolving credit facility of £100 million (the “**RCF**”) from HSBC Bank plc (“**HSBC**”).

As at 1 September 2017, the Company had successfully invested the net proceeds of the IPO to acquire three supermarket real estate assets in the UK, which are let to Sainsbury’s and Tesco.

In November 2017, in order to assist in financing the acquisition of an additional supermarket asset with an aggregate market value of approximately £50 million, the Company raised further gross proceeds of approximately £20 million through a follow-on placing of a further 19,999,999 Ordinary Shares (representing 19.99 per cent. of the Company’s issued share capital at that time) (the “**2017 Follow-on Placing**”). The proceeds of the 2017 Follow-on Placing were used to acquire the REIT Group’s fourth asset.

In April 2018, the Company raised further gross proceeds of £65 million through a placing and offer for subscription (the “**2018 Fundraise**”). In connection with the 2018 Fundraise, the Company instituted a share issuance programme, pursuant to which it raised further funds in March 2019 of £45 million (the “**2019 Fundraise**”). The Company used the proceeds of the 2018 Fundraise and the 2019 Fundraise to acquire further supermarket real estate assets.

On 19 July 2018, the Company announced that it had secured a £52.1m loan facility with Bayerische Landesbank (the “**Bayerische Facility**”) and acquired a further supermarket real estate asset.

In April 2019, the Company acquired a Tesco Extra supermarket in Mansfield, partly satisfying the consideration via the allotment of Ordinary Shares to the vendor in an amount equal to £11.3 million.

As at 30 June 2019, the market value of the Portfolio was £368.2 million and the Net Asset Value per Share was 97 pence. As at 11 September 2019, the Company had a market capitalisation of approximately £258 million.

On 27 August 2019, the Company announced that it had secured a £47,600,000 five-year, interest-only term loan facility with Dekabank (the “**Dekabank Facility**”). The applicable rate of interest is LIBOR plus a margin of 1.35 per cent. per annum.

On 28 August 2019, the Company acquired a Sainsbury’s store in Preston for £54.4 million (net of acquisition costs).

2 The AIFM and the Investment Adviser

The Company appointed JTC Global AIFM Solutions Limited as the Company's alternative investment fund manager (the "**AIFM**") as part of the IPO. The AIFM provides certain services in relation to the Company and its portfolio, which includes risk management and portfolio management in respect of the Company in accordance with the Company's investment strategy.

The AIFM ensures that investors are treated fairly in a number of ways, including by ensuring that any preferential treatment granted by the AIFM to one or more investors does not result in an overall material disadvantage to the other investors; by ensuring that its decision-making procedures are applied fairly as between investors; by applying relevant policies and procedures properly; by ensuring, to the extent within its power, that investors do not bear directly or indirectly fees, charges and expenses which are inappropriate in nature or amount; by complying with the rules and guidance of the GFSC (or equivalent) applicable to it and by conducting its activities honestly, fairly and with due skill, care and diligence.

The provisions of the AIFMD concerning professional indemnity insurance or additional own funds to cover professional negligence risk do not apply to the AIFM. Nevertheless, the AIFM has the benefit of professional indemnity and directors' and officers' liabilities insurance coverage.

As part of the IPO, the Company and the AIFM appointed Atrato Capital Limited (the "**Investment Adviser**") to provide certain services in relation to the Company and its portfolio, which include advising in relation to financing and asset management opportunities.

Atrato Capital Limited was incorporated on 20 December 2016 and is owned by Ben Green and Steve Windsor. Atrato Capital Limited is an appointed representative of Consortium Investment Management Limited which is authorised and regulated by the FCA.

3 Portfolio development since IPO

In accordance with the Company's Investment Policy, the Company has invested in eight supermarket assets since the IPO, 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 through active asset management opportunities.

The consideration for these acquisitions was funded out of the proceeds of the IPO, the proceeds of the 2017 Follow-on Placing, the 2018 Fundraise, the 2019 Fundraise, drawdowns from the Facilities and, in the case of the property in Mansfield, partly through the issue of Ordinary Shares.

Each property in the Portfolio is let on fully repairing and insuring lease terms, with upward only, annual, RPI-linked rent reviews. The Portfolio generates an annualised passing rent roll of £22.2 million with a current weighted average unexpired lease term of 19 years.

As at the date of this document, the Portfolio comprises eight assets, details of which are set out in paragraph 1 of Part 10 of this document.

The Directors and the Investment Adviser believe that there is a strong pipeline of other assets which meet the Company's stated Investment Policy and investment objective, which offer a similar return profile to the existing Portfolio. The Investment Adviser has entered into detailed discussions with a number of potential vendors to discuss the availability of certain assets for purchase on indicative terms. The Investment Adviser has also commenced due diligence in connection with certain pipeline assets. The Directors may or may not accept these or other assets as being suitable for the Company and may or may not proceed with the acquisition of any such opportunities.

As at the date of this document, the Company has no contractual obligations with potential vendors in place but the Investment Adviser and the Board believe that with the Investment Adviser's experience and the preparatory work undertaken by the Investment Adviser to date, suitable assets will be identified and could potentially be acquired in a relatively short time period following Admission.

4 Investment objective

The Company's investment objective is to provide its shareholders with an attractive level of income together with the potential for capital growth by investing in a diversified portfolio of supermarket real estate assets in the UK.

5 Investment Policy

The Company is focused on investing in a diversified portfolio of principally freehold and long leasehold operational properties let to UK supermarket operators, which benefit from long-term growing income streams with high quality tenant covenants.

The Company will continue predominantly to target assets with long unexpired lease terms (typically more than 15 years to first break) with index-linked or fixed rental uplifts in order to provide investors with income security and considerable inflation protection.

The Company expects its assets to be leased to institutional grade tenants, with multi-billion pound revenues and strong consumer brands. The Company expects the majority of its tenants to consist of the four largest UK supermarket operators by market share, currently Tesco, Sainsbury's, Asda and Morrisons. The Company may also invest in assets let to other supermarket operators and retailers, such as Lidl, Marks & Spencer, Aldi or Waitrose, where it believes the underlying asset covenant is consistent with the overarching objective of providing shareholders with regular and sustainable dividends as well as the potential for some capital value uplift over the longer term.

The Company will seek to diversify its exposure to individual cities, towns and regions. The Company will also seek to acquire different sized assets appealing to different consumer types with typical assets ranging from larger convenience based store formats through to the larger superstores.

The Company will target assets that it believes may benefit from future asset management opportunities. In addition, the Company will target assets that it believes offer good potential for alternative use over the longer term. This includes targeting assets in highly populated residential areas with strong transportation links.

The Company will primarily seek to acquire properties which are already operationally complete and fully let. The Company may invest, from time to time, in asset management or development opportunities, which, when complete, would fall within the Company's Investment Policy to invest in operational properties let to UK supermarket operators. In addition, the Company may seek to maximise alternative use values of existing operational assets by engaging with planning authorities and development partners. Any asset management or development opportunities will be conducted in such a way that the project will have no recourse to the other assets of the Company (outside of the funds committed to the development). The expected gross development cost to the REIT Group of any such developments will be limited to an amount representing 20 per cent. of the REIT Group's gross assets, measured at the commencement of the relevant development.

The Directors currently intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

6 Investment restrictions

The Company will continue to invest and manage its assets with the objective of spreading risk and, in doing so, will maintain the following investment restrictions (all of which are reviewed by the Board semi-annually following semi-annual valuations produced in accordance with the Company's valuation policy):

- the Company will invest, directly or indirectly, at least 80 per cent. of its Gross Asset Value in properties let to UK supermarket operators;
- the Company may invest up to 20 per cent. of its Gross Asset Value in assets let to non-supermarket operators, when these assets are located on the same site, or are complementary to, an existing asset;

- the Company will derive at least 60 per cent. of its rental income from a portfolio let to the largest four supermarket operators in the UK by market share;
- the expected gross development costs to the REIT Group of development opportunities will not exceed 20 per cent. of the REIT Group's gross assets at the commencement of the relevant development;
- the REIT Group may acquire property interests either directly or through corporate structures (whether onshore UK or offshore) and also through joint venture or other shared ownership or co-investment arrangements;
- the Company will not invest in other closed-ended investment companies; and
- neither the Company, nor any of its subsidiaries will conduct any trading activities which are significant in the context of the REIT Group as a whole.

In addition to the above investment restrictions, no individual property represents more than 40 per cent. of the prevailing Gross Asset Value at the date of this document, and no individual property will represent more than 40 per cent. of the prevailing Gross Asset Value at the time of investment.

In the event of a breach of the investment guidelines and restrictions set out above, the AIFM shall inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service. Any material change to the Investment Policy may only be made by Shareholders' ordinary resolution.

7 Borrowing policy

The Directors intend that the Company will follow a prudent approach for the asset class with its gearing and maintain a conservative level of aggregate borrowings.

The Board intends that gearing, calculated as borrowings as a percentage of the REIT Group's gross assets, will continue to be approximately 30 to 40 per cent. over the medium term (calculated at the time of drawdown). However, the REIT Group will have the ability to exceed this level from time to time as borrowings are incurred to finance the growth of the REIT Group's portfolio. The REIT Group will have a maximum level of aggregate borrowing of 60 per cent. of the Company's Gross Asset Value at the time of drawdown of the relevant borrowings.

Borrowings will over the longer term be diversified by covenant, lender, type and maturity profile and will primarily be secured at the asset or special purpose vehicle level and will therefore be non-recourse to the other assets of the REIT Group.

The Company will be permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits and gilts. The Company may enter into interest rate derivatives, from time to time, for the purposes of efficient portfolio management.

8 Investment Processes

8.1 *Sourcing investments*

The Investment Adviser utilises its extensive contacts in the UK supermarket sale and leaseback market to source investment opportunities for the Company, in particular through their longstanding and strong relationships with supermarket tenants and existing investors in supermarket properties.

8.2 *Review and approval*

The Company and the AIFM review and decide whether to approve each opportunity based on the following investment considerations:

- institutional grade tenant with very strong financials and a proven operating track record;
- long unbroken lease terms, typically more than 15 years (to earlier of first break and expiry);

- fully repairing and insuring leases with upwards only rent review provisions linked to an inflation index such as RPI or CPI (with potentially a minimum and maximum level) or with fixed uplifts;
- primarily targeting assets that are freehold or long leasehold (longer than 75 years remaining at the time of acquisition);
- regional diversification; and
- strong residual land value.

Once a potential property investment has been identified as a result of the application of the research and advice provided by the Investment Adviser, initial due diligence on the potential property investment is undertaken.

In all cases after the initial due diligence phase, the Investment Adviser makes a detailed recommendation to its Investment Committee.

The Investment Committee consists of members of Atrato Capital Limited and acts as an internal check and balance on the Investment Adviser's identification of potential property investments. The Investment Committee reviews the potential opportunities that the Investment Adviser has identified, as well as the associated due diligence. In challenging the Investment Adviser's assumptions in relation to an investment case, the Investment Committee determines whether the potential property investment is suitable for the Company and will look at its long-term value potential compared to other opportunities. Ultimately, the Investment Committee determines whether an investment opportunity is presented to the Board and the AIFM.

Following approval by the Investment Committee, the potential opportunity is presented to the Board and the AIFM for their consideration and approval.

For this purpose, the Investment Adviser produces a detailed report (an “**Investment Opportunity Report**”) for each potential investment opportunity being considered, which (where appropriate) analyses: (i) tenant covenant strength; (ii) form of lease; (iii) availability of finance to acquire the asset; (iv) rental streams; (v) exit strategies; (vi) asset management opportunities; and (vii) external factors (such as market conditions).

The Company has incorporated three direct subsidiaries in the UK, namely Supermarket Income Investments UK Limited, Supermarket Income Investments (Midco 2) UK Limited and Supermarket Income Investments (Midco 3) Limited (each, a “**Midco**”). The Midcos have, between them, incorporated eight subsidiaries in the UK (each an “**SPV**” and, together, the “**SPVs**”). The Company and/or a Midco may also incorporate further SPVs. Acquisitions may, therefore, be made by the Company, a Midco or any of the SPVs. Accordingly, if an acquisition is to be made by a Midco or an SPV, the Investment Opportunity Report will be provided by the Company to the relevant Midco or the relevant SPV (as applicable) in order for the board of directors of either the relevant Midco or the relevant SPV (as applicable) to consider and decide whether to approve the potential opportunity.

References in this document to “the Company's investments” and similar expressions mean investments of the REIT Group, whether made by the Company, a Midco or an SPV (as applicable). Where material decisions are required to be made in relation to an asset held by a Midco or an SPV (such as the acquisition or disposal of that asset), that decision will be made by the directors of the relevant Midco or the relevant SPV (as the case may be). Currently the Midcos' and the SPVs' sole director is Jon Austen.

Based on initial due diligence and the Investment Opportunity Report and on whether approval is given by the directors of the relevant Midco or the relevant SPV (as applicable), the Directors and the AIFM determine whether detailed financial, legal and technical due diligence should then be carried out by the Investment Adviser.

8.3 *Execution*

Where a proposed transaction is approved as described above, the Investment Adviser, on behalf of the Company, then performs appropriate due diligence, utilising third party professional advisers where needed. Due diligence reports are submitted to the Directors and the AIFM with a recommendation prepared by the Investment Adviser comprising a full investment report detailing the fit of a particular transaction to the Investment Policy, together

with an assessment of the potential risks and benefits of proceeding (or not) with a particular opportunity. Such reports, recommendations and assessments are submitted to the Company and the AIFM, and, as required, by the Company to the directors of the relevant Midco or the relevant SPV (as applicable) for approval.

If an opportunity is presented to the Directors (and the directors of the relevant Midco or any relevant SPV, as applicable) and the AIFM and approval is given to proceed, the AIFM and the Investment Adviser undertake the following roles and provide the following services to facilitate execution of the transaction:

- project management and overall control of the transaction, including co-ordinating the work of other professional advisers and service providers, such as agents, surveyors, valuers, lawyers, accountants and tax advisers;
- leading in the negotiation with any third party (whether buying, selling, refinancing, or otherwise);
- leading in the negotiation and structuring of the transaction to ensure it meets the Investment Policy and does not detrimentally impact the Company's status as a REIT;
- leading in the negotiation and structuring of any borrowings on the transaction;
- reviewing the existing lease or preparing the negotiation of a new lease;
- working as closely as is required with the Directors and the directors of the relevant Midco or any relevant SPV (as applicable) during the acquisition process; and
- leading the preparation of final documentation (in conjunction with legal and accounting advisers).

8.4 *Monitoring and reporting*

The Investment Adviser closely monitors the progress of the Company's investments. This includes regular site visits and meetings with tenants on an asset-by-asset basis, as required, and at a minimum, on a bi-annual basis.

The Investment Adviser updates the Directors and the AIFM on the progress of the Company's investments on a quarterly basis, with additional formal contact being made where significant events have occurred which may impact the Company's income, expenditure or NAV. The Company updates the relevant Midco or any relevant SPV (as applicable) in a similar fashion pursuant to the terms of the Management Services Agreement.

The AIFM oversees the preparation of valuation statements for the Company's portfolio in each six month period (working with the Administrator and professional valuers, and assisting the Company in selecting appropriate valuers).

8.5 *Holding and exit*

The Directors intend that all assets will be held for the long term (including forward funding developments). However, by exception, if an external offer is made to the Company and the returns are sufficiently attractive for Shareholders, the Directors may consider the sale of the asset and reinvestment of the proceeds into new assets.

9 Dividend policy

The Company's stated intention is to pay dividends on a quarterly basis. The Board is currently targeting a minimum annual dividend of 5.8 pence per Ordinary Share. The Company will continue to seek to grow the dividend progressively, when the Net Issue Proceeds have been fully invested, through the Company's upward-only inflation-protected long-term lease agreements.

The Company has paid the following dividends since its IPO:

- on 28 September 2017, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 27 October 2017;
- on 5 February 2018, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 3 March 2018;

- on 16 April 2018, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 21 May 2018;
- on 18 July 2018, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 21 August 2018;
- on 8 October 2018, an interim dividend of 1.375 pence per Ordinary Share, which was paid on 6 November 2018;
- on 8 January 2019, an interim dividend of 1.419 pence per Ordinary Share, which was paid on 8 February 2019;
- on 8 April 2019, an interim dividend of 1.419 pence per Ordinary Share, which was paid on 7 May 2019; and
- on 8 July 2019, an interim dividend of 1.419 pence per Ordinary Share, which was paid on 7 August 2019.

The Company expects to declare a dividend in respect of the first quarter of the financial year ended 30 June 2020 on or around 8 October 2019 (the “**2020 Q1 Dividend**”). The entitlements date for the 2021 Q1 Dividend is expected to be on or around 17 October 2019 and it is expected to be paid in late November 2019. New Ordinary Shares issued pursuant to the Initial Issue will carry the right to receive the 2020 Q1 Dividend.

Following the Company’s recent acquisition of a Sainsbury’s in Preston, the Company has become fully invested and geared and, assuming no changes in capital structure, expects the dividend to be fully covered by EPRA earnings on a forward-looking basis.

The targeted long term net total Shareholder return (comprising NAV progression and dividends) is currently 7 to 10 per cent. per annum.

The dividend and return targets stated above are targets only and not a profit forecast. There can be no assurance that these targets will be met and they should not be taken as an indication of the Company’s expected future results. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend and target net total Shareholder return are reasonable or achievable.

In order to comply with REIT status the Company is required to meet a minimum distribution test. This minimum distribution test requires the Company to distribute (to the extent permitted by law) at least 90 per cent. of the income profits of the UK Property Rental Business for each accounting period, as adjusted for tax purposes.

10 Treasury Policy

The Company is permitted to invest cash held for working capital purposes and awaiting investment in accordance with the following provisions.

Until such time as funds are required for investment in real estate opportunities, the Company intends that cash not yet invested will be managed by the AIFM in consultation with the Investment Adviser.

The safekeeping of the Company’s assets will be carried out by the Company. The Company shall be responsible for ensuring the Company’s cash flows are properly monitored and shall review the AIFM’s cash monitoring procedures. The Company may delegate some or all of its custody functions to a member of its Group.

The AIFM is responsible for managing cash not yet invested by the Company in property assets or otherwise applied in respect of the Company’s operating expenses, such cash entrusted from time to time by the Company for management by the AIFM pursuant to the terms and conditions of the AIFM Agreement with the aim of preserving the capital value of such assets. Subject to the Company providing the AIFM reasonable notice when it requires the liquidation and/or transfer of a part of the entrusted assets in order to pursue the Investment Policy, the Company has given the AIFM full discretionary authority to invest in various types of financial instruments in Sterling including cash deposits, term deposits,

depository bonds, fixed rate depository bonds, commercial paper, treasuries, bonds with short term to maturity and government securities as well as floating rate notes and other money market investments. See paragraph 13.3 of Part 16 for a summary of the AIFM Agreement.

The Company also intends to hedge its interest rate exposure through the use of forward contracts, options, swaps or other forms of derivative instruments.

All hedging policies of the Company are reviewed by the Board and the AIFM on a regular basis to ensure that the risks associated with the Group's investments are being appropriately managed. Any transactions carried out will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative reasons.

11 Valuation Policy

The Net Asset Value (and Net Asset Value per Share) is calculated semi-annually by the Administrator on behalf of the Company. Calculations are at fair value as determined by the Administrator on the basis of market value in accordance with the internationally accepted RICS Appraisal and Valuation Standards. Consistent with other listed European real estate investment companies, the Directors follow the guidance published by EPRA and disclose adjusted measures of Net Asset Value (and Net Asset Value per Share) which are designed by EPRA to reflect better the core long term operations of the business. Details of each semi-annual valuation, and of any suspension in the making of such valuations, are announced by the Company through an RIS as soon as practicable after the end of the relevant six month period. The semi-annual valuations of the Net Asset Value (and Net Asset Value per Share) are calculated on the basis of the most recent annual independent valuation of the REIT Group's properties and any other assets or most recent semi-annual desktop valuation. In addition, such valuations and calculations may also be carried out in case of an increase or decrease of the capital by the Company.

The calculation of the Net Asset Value (and Net Asset Value per Share) will only be suspended in circumstances where the underlying data necessary to value the investments of the REIT Group cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Administrator) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through an RIS as soon as practicable after any such suspension occurs.

12 General Meeting – authority to allot

The Company currently does not have sufficient authority to allot the New Ordinary Shares to effect the Initial Issue or the Placing Programme. Accordingly, the Resolutions, as set out in the Notice of General Meeting in the Appendix to this document, are being proposed at the General Meeting to ensure that the Directors have sufficient authority to allot and issue the New Ordinary Shares under the Initial Issue, and Placing Programme Shares under the Placing Programme, on a non-pre-emptive basis, in addition to the authorities granted at the Company's last annual general meeting.

13 Discount management

The Company may seek to address any significant discount to NAV at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an ad hoc basis.

The Directors have the authority to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue as at 26 September 2018. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) that stipulated by the regulatory technical standards adopted by the EU pursuant to the Market Abuse Regulation from time to time. Ordinary Shares will be repurchased only at prices below the prevailing NAV per Share, which should have the effect of increasing the NAV per Share for remaining Shareholders.

The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing

the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the (cum income) Net Asset Value per existing Ordinary Share at the time of their sale unless they are first offered *pro rata* to existing Shareholders.

It is intended that a renewal of the authority to make market purchases will be sought from Shareholders at each annual general meeting of the Company. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of Ordinary Shares would be made only out of the available cash resources of the Company. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

The Directors will have regard to the Company's REIT status when making any repurchase and purchases of Ordinary Shares may be made only in accordance with the Companies Act and MAR.

Investors should note that the repurchase of Ordinary Shares is entirely at the discretion of the Board and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of Ordinary Shares that may be repurchased.

14 Continuation vote

The Company has an unlimited life. However, in accordance with its Articles of Association, the Board will propose an ordinary resolution for the Company to continue in its current form to Shareholders at the annual general meeting following the fifth anniversary of the IPO and at the annual general meeting held every five years thereafter. If the resolution is not passed, the Directors intend to formulate proposals to be put to Shareholders within 120 days of such resolution being defeated for the reorganisation or reconstruction of the Company.

15 Structure as a United Kingdom Real Estate Investment Trust

As a REIT, the REIT Group has a tax efficient corporate structure with the consequences for UK Shareholders described in detail in Part 13 of this document. As a REIT:

- the REIT Group does not pay UK corporation tax on profits and gains from its Property Rental Business; and
- the Company is required to distribute (to the extent permitted by law) to Shareholders at least 90 per cent. of the income profits arising from the Property Rental Business as calculated for tax purposes, by the filing date of the Company's corporation tax return.

Under the REIT regime, a tax charge may be levied on the Company if it were to make a distribution to a Substantial Shareholder. The Articles of Association contain provisions relating to Substantial Shareholders as set out in paragraph 6 of Part 16 of this document.

PART 9

DETAILS OF THE MARKET

1 Introduction

The Directors and the Investment Adviser believe that a significant investment opportunity currently exists in the UK supermarket property market with several barriers to entry restricting potential competition, and a shortage of new opportunities being presented to the market.

The Directors and the Investment Adviser believe that supermarket real estate assets are an attractive asset class for real estate investors seeking long term inflation-linked income with capital preservation over the longer term.

Supermarket real estate offers investors long-term stable income through landlord friendly underlying lease structures. These are often index-linked, long in duration (over 15 years) and leased to large multi-billion pound tenants which, on the basis of their size and high market share, may provide investors with income security over the longer term. The assets are typically modern buildings situated near population centres and transportation networks with larger stores also operating as online fulfilment centres. The locations of these assets are an important factor in ensuring that the sites attract sufficient footfall to trade profitably in a low margin, higher volume business environment. Equally, the location of the asset, and the often large site associated with it (for example, as a result of excess car parking facilities), also ensures that there are multiple opportunities for an active and engaged landlord to explore alternative uses for the assets, either in partnership with the tenant or at the end of the relevant lease.

In the current climate of rising inflation and the low cost of debt, the Investment Adviser believes that secure long income supermarket property leases with index-linked rent reviews are increasingly being presented to the market at attractive investment yields which represent an interesting investment opportunity.

2 UK Grocery Market

UK consumer spending on groceries has grown year-on-year since 1999 (with the exception of 2009 when they fell by £0.05 billion). According to forecasts by IGD Retail Analysis, total spending will continue to increase by a further 12.5 per cent. in the next five years from £194 billion in 2019 to £218 billion by 2024. Tesco, Asda, Sainsbury's and Morrisons (the "Big Four") have a combined market share of approximately 68 per cent.² and together operate more than 9,000 stores in the UK. Each of the Big Four are multi-billion-pound revenue companies, with established consumer brands and strong credit covenants.

2.1 Tesco plc³

Tesco (founded in 1919) is a multinational grocery and general merchandise retailer. Headquartered in Welwyn Garden City, Hertfordshire, England, Tesco has stores in 8 countries across Asia and Europe and is the grocery market leader in the UK (where it has a market share of approximately 27 per cent.), Ireland, Hungary, Malaysia and Thailand. The company is the third largest private sector employer in Europe, employing over 450,000 people and operates over 6,900 stores across the world. Tesco's group revenues were £56.8 billion for the financial year ended 28 February 2019.

2.2 Sainsbury's plc

Sainsbury's (founded in 1869) is the second largest chain of supermarkets in the UK with a 15 per cent. market share. Headquartered in Holborn Circus, London, England, Sainsbury's employs over 170,000 people and operates over 2,000 stores across the UK. In 2016, Sainsbury's acquired Argos (a British catalogue retailer) from Home Retail Group, strengthening Sainsbury's multichannel capabilities. Sainsbury's revenues were £29.0 billion for the financial year ended 28 February 2019.

² Kantar worldpanel 2019.

³ Tesco annual report 2019.

2.3 Asda Stores Limited

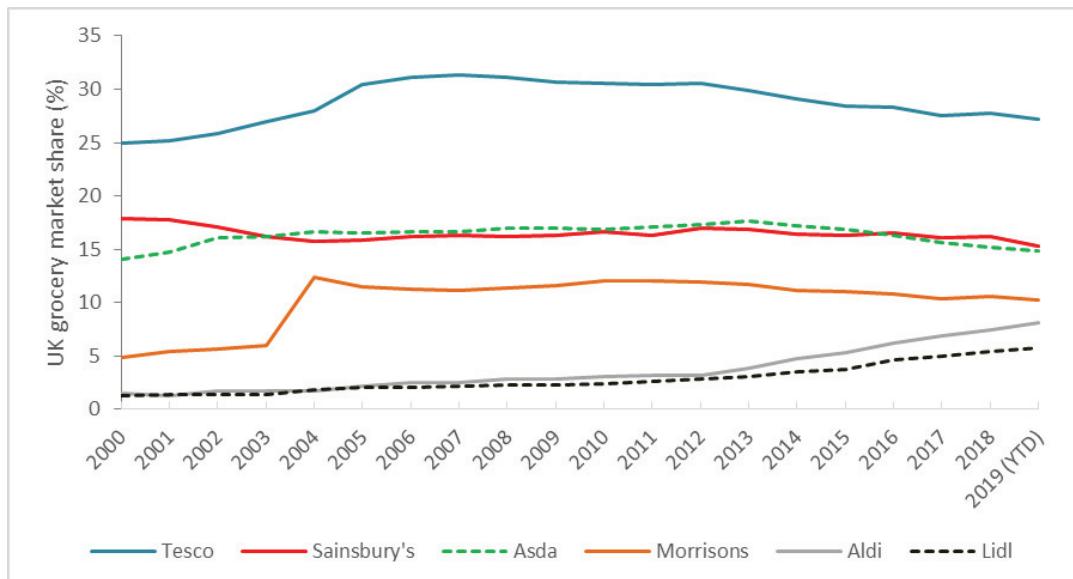
Asda (founded in 1949) is the third largest chain of supermarkets in the UK, headquartered in Leeds, West Yorkshire, England with a 15 per cent. market share. The company employs over 145,000 people and operates over 600 stores across the UK. Since 1999, ASDA has been a wholly owned subsidiary of Wal-Mart Stores Inc., the largest retailer in the world. Asda's revenues were £22.2 billion for the financial year ended 31 December 2017.

2.4 WM Morrison Supermarkets plc⁴

Morrisons (founded in 1899) is the fourth-largest chain of supermarkets in the UK, with an approximate 10 per cent. market share. Headquartered in Bradford, West Yorkshire, England, the company employs over 120,000 people and operates nearly 500 stores across the UK. Morrison's revenues were £17.7 billion for the financial year ended 3 February 2019.

The graph below shows that although dominated by a few players, the market is dynamic and highly competitive and has fragmented over the last 15 years, with lower-price operators (the "**Discounters**"), led by Aldi and Lidl, experiencing strong sales growth. The Discounters continue to expand their presence by adding new stores and competing aggressively on price. This has resulted in them successfully gaining market share.

Graph 1: UK grocery market share by operator 2000 – 2019

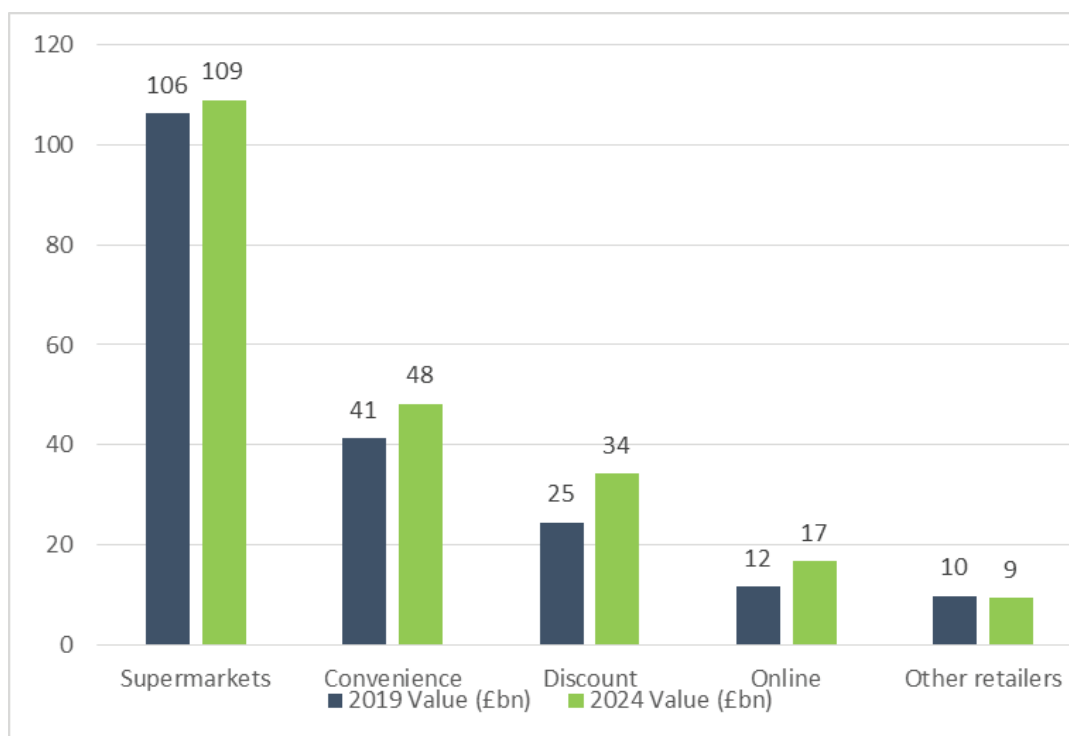


Source: Kantar Worldpanel 2000-2018

One of the principal reasons that the Big Four have been able to protect their market dominance has been due to the nature of their underlying store portfolio. The Big Four have benefitted from a first mover advantage and as a result are frequently located in strong locations in the UK market.

Grocery sales channels continue to evolve however, the larger stores remain the bedrock of the larger operators' business models. According to IGD Retail Analysis research, supermarkets and hypermarkets fulfil over 55 per cent. of sales in the UK, followed by convenience stores at c.21 per cent. This trend is not expected to change over the next five years. The Discounters are expected to continue to grow their market share and ultimately define their own distinct sales channel with the discount channel representing approximately 16 per cent of the total grocery market by 2024.

Graph 2: IGD UK grocery sales by channel – 2019 and 2024



Source: IGD UK channel opportunities June 2019

3 Supermarket Real Estate Sector

3.1 Property lease arrangements

Supermarket lease agreements are often long-let and index-linked. Original lease tenors range from 20 to 30 years without break options. Rent reviews link the growth in rents to an inflation index such as RPI, RPIX or CPI (with caps and floors), or alternatively may have a fixed annual growth rate. Such rent reviews normally take place annually (although sometimes every five years), with the rent review delivering an increase in the rent at the growth rate, compounded over the period. An alternative lease structure is a five yearly review to open market rents.

Landlords often benefit from “full repairing and insuring leases”. These are lease agreements where the tenant is obligated to pay all taxes, building insurance, other outgoings and repair and maintenance costs on the property, in addition to the rent and service charge. Under such a lease, the tenant is responsible for all costs associated with the repair and maintenance of the building.

Operators will typically have the option to acquire the leased property at the lease maturity date at market value. Furthermore, to ensure that the operator does not transfer its lease obligation to other parties, assignment of the lease is often prohibited.

3.2 Supermarket real estate yields

Supermarket property has a long record of positive total returns underpinned by strong income returns due in part to the long length of lease commitments, upward-only rent review growth and strong occupier covenants.

Investment yields on supermarket property have consistently been lower than UK All-Property yields and reached a low of 4.3 per cent. in 2007. However, since 2013, the market dynamics have changed: in contrast to most other long-income property yields, the supermarket sector has experienced a negative yield shift with yields increasing by 20 per cent. from March 2007 to March 2019.

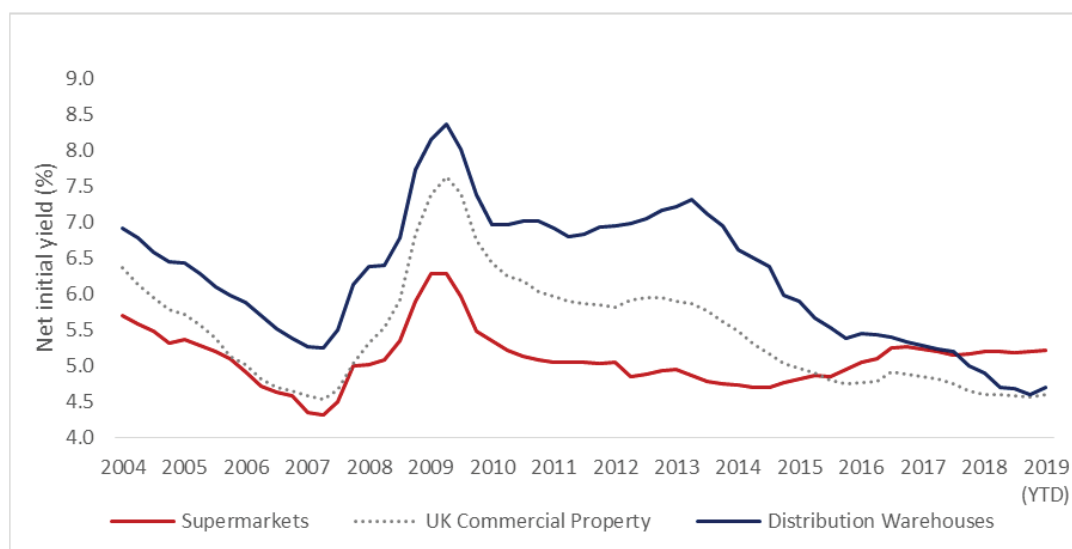
The graph below shows that supermarket yields have now been trading at higher yields than UK All-Property since 2015. Over the last five years the distribution warehouse subsector of the property market has seen a significant compression in yields. Distribution warehouses are fundamentally performing a different role to supermarkets in the supply chain. However, the Investment Adviser believes there are certain similarities in areas such as online sales, with supermarkets fulfilling online deliveries out of their larger omnichannel stores. Despite these similarities, there has been a significant difference in how the underlying property yields of the two sectors have performed.

The grocery sector is now entering a period of increased stability. Competition remains high among operators, but multiple datapoints during 2018/19 suggest a more stable margin environment. In June 2019, Moody's Investors Services upgraded Tesco plc back to investment grade following the actions of Fitch Ratings who raised them to the same level in late 2018 citing the operator's improvements in cash generation, debt reduction and their anticipated growth in profits as the reasons behind the rating update. In addition, they believe that Tesco will cement its position as the dominant UK grocer and further deleverage its balance sheet.

This is evidenced in recent years by the yields available to investors in supermarket corporate bonds becoming lower, which in the opinion of the Investment Adviser reflects an increased confidence in the supermarket asset class.

In this current climate, the Investment Adviser believes that secure, long income supermarket property leases with index-linked rent can be acquired at attractive investment yields.

Graph 3: IPD All Property, supermarket and distribution warehouse yields 2004 – 2019

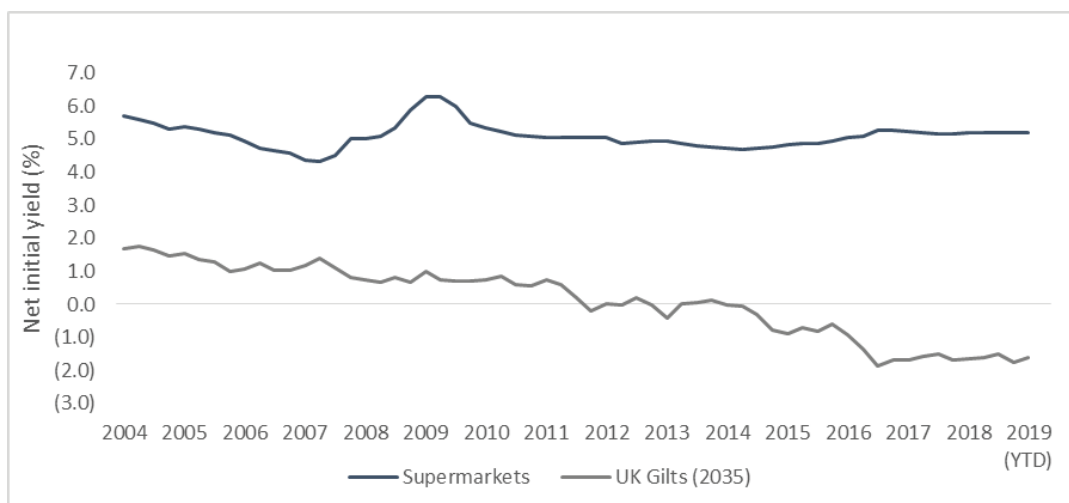


Source: IPD: 'All-Property' is the entire property sector taken from the IPD Quarterly Universe, Supermarkets and Distribution Warehouse is a sub-category of the IPD Quarterly Universe. Annualised data is from March 2004 to March 2019.

3.3 Inflation protection

The Investment Adviser believes that currently, real estate markets are undervaluing the inflation protection characteristics embedded in supermarket leases in contrast to other comparable inflation-linked products, such as UK index-linked gilts. Graph 4 illustrates how UK index-linked gilts have traded at negative real yields since 2013.

Graph 4: IPD supermarket yields vs UK indexed-linked gilt and five year swap rates 2004 – 2019



Source: IPD and Bloomberg. "Supermarkets" is a sub-category from the IPD Quarterly Universe. Annualised data is from December 2004 to March 2019. UK 2035 gilts data is from March 2004 – March 2019.

3.4 Opportunities for asset management in the supermarket sector

In addition to current rental yields, supermarket property has further potential for asset management upside opportunities to enhance total shareholder returns. These multiple asset management opportunities can be categorised into two distinct segments:

3.4.1 Light asset management

Light asset management typically involves small scale changes and improvements to a building which require limited additional capital and/or planning approvals. Examples include investing in green energy efficiency schemes such as energy efficient lighting, solar panelling, battery capture and storage and combined heat and power. These types of schemes may provide incremental additional returns for investors on a risk adjusted basis but, importantly, can also assist the underlying operator in meeting certain strategic objectives in areas such as sustainability targets.

3.4.2 Repurposing space

The repurposing of space allows operators to maximise the value of their building and potentially increase underlying footfall or revenues per square foot by adding new customer offerings or facilities in or around the store. Repurposing space typically requires an increased level of interaction with the operator and an element of planning approval. However, the primary use of the majority of the asset is not expected to change. Examples include adding restaurants, cafes and drive-through facilities on excess car parking or adapting some of the existing store for alternative use such as click and collect facilities. An example of this is Tesco subletting excess space to Puregym at stores in Sunderland and Sheffield.

The Company will engage and work closely with its tenants on all available asset management opportunities with a view to enhancing long term shareholder returns by increasing cash yields from light asset management and repurposing, and, where appropriate over the longer-term, releasing development profit opportunities from heavy asset management.

4 UK Supermarket Property Market Dynamics

After a period of heavy expansion in store numbers since 2000, the Big Four have substantially completed their store expansion plans and are now in a consolidation phase. Few new large properties are being developed by the operators and the strategic focus has generally shifted from creating new assets to increasing efficiencies on the supply side, meeting customer concerns with an improved shopping experience and further diversification in brands, merchandise and sales channels. The effect of this shift in strategic focus has been a

reduction in the number of sale and leaseback transactions involving the Big Four, and therefore there has been a decline in the number of assets being offered to the investment market.

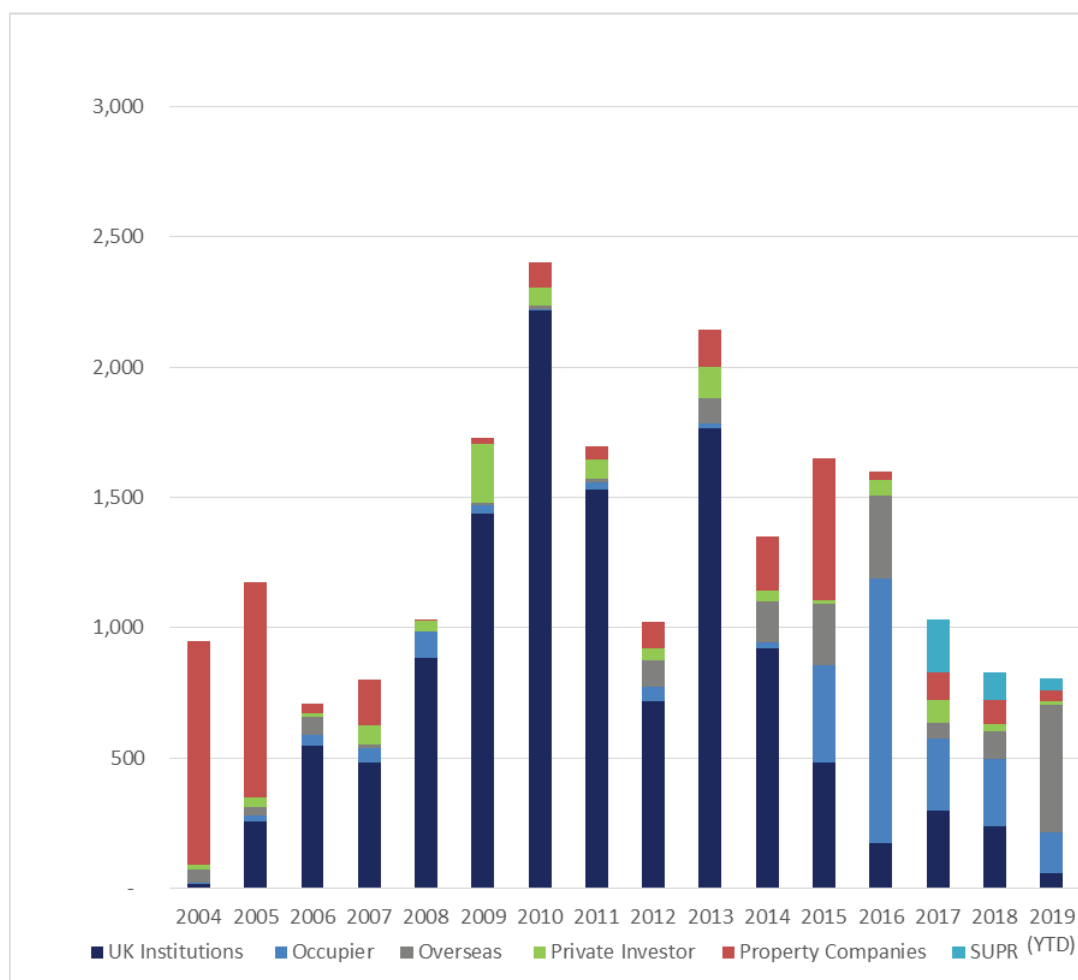
The introduction of changes to accounting standards through IFRS16 (Lease Accounting) also means that supermarkets are less likely to use sale and leasebacks of existing stock as a financing tool in the future. IFRS16 effectively requires all rental obligations to be capitalised on a balance sheet as a financing rather than expensed as rental as rents fall due. The Investment Adviser believes that operator buybacks will continue to be a key theme in the investment market as changes to accounting rules through IFRS 16 mean that reducing existing lease commitments will be an increasingly attractive way for the operators to strengthen their underlying balance sheet. Equally, following the significant expansion of store numbers over the last 15 years, the operators have now started to focus on refurbishing and upgrading existing stores rather than building new stores.

As the supply of new properties from the operators has reduced, many institutional property investors have also stopped seeking to buy these assets. As illustrated in graph 5, since 2015 institutional investors' share of the market has fallen to below £200 million for the first time since 2004. The Investment Adviser believes the main reason for this is general overexposure to the sector following the large number of sale and leasebacks between 2008 and 2013, but also changes to regulatory capital rules, which increase the cost of holding such assets for certain institutions.

2016 was the first year in which operators produced no new sale and leaseback supply since the early 2000s. Indeed, in a reversal of recent trends, Tesco has now become a net buyer of stores, spending around £2.6 billion on store buybacks since 2015. In addition Tesco revealed in its 2019 annual report that it had exercised an option to buy back the 50 per cent equity held in a joint venture structure with the Universities Superannuation Scheme. The portfolio of 15 stores and two distribution centres is worth £666m.

Despite these changes in the investment market, demand for these supermarket assets has remained strong with over £2.7 billion of secondary market transactions taking place since 2017. The majority of this demand has arisen from operators seeking to buyback stores and overseas investors who appear to have taken advantage of the decline in sterling exchange rates and attractive asset pricing.

Graph 5: Supermarket transactions by purchaser type 2004 – 2019 (YTD)



Property data limited January 2004 to August 2019

The Investment Adviser believes that the reduced supply of new stock from operators against continued strong demand for supermarket assets from overseas investors, operators and increasingly pension fund investors generate favourable future supply and demand dynamics for long-term compression in yields closer to UK All-Property with a corresponding increase in asset market values.

In April 2019, US based Realty Income Corporation bought 12 UK based Sainsbury's supermarkets for £429 million from a Sainsbury's and British Land joint venture. The stores were on short leases with open market rent reviews. Post purchase all stores were re geared on new 15-year leases with fixed uplifts.

5 Future Prospects

The Investment Adviser believes that current supermarket yields present a buying opportunity. Supermarket operators appear to be entering a period of higher earnings, improving their covenant as an operator. The investment market, having experienced some changes over the last few years, appears to have favourable supply and demand characteristics. Meanwhile, the underling nature of the asset continues to provide investors with long term, upward only rental growth, whilst the assets themselves, due to their location and structural design, offer asset management opportunities. All of these potential benefits are being priced at an investment yield which is currently higher than the rest of the property market. Against a backdrop of potential rising inflation and the uncertain economic outlook arising from events such as the UK's withdrawal from the European Union, the Directors and the Investment Adviser believe that these factors are highly attractive and therefore should continue to generate considerable investor interest.

PART 10

THE PORTFOLIO

1 Introduction

As at the date of this document, the Portfolio comprises eight supermarket real estate 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 through active asset management opportunities.

As at 30 June 2019, the Portfolio had a market value of approximately £368.2 million. The Portfolio is let on fully repairing and insuring lease terms, with upward only, annual, RPI-linked rent reviews, generating an annualised passing rent roll of £19.2 million, with a current weighted averaged unexpired lease term of 18 years.

Part 11 of this document contains the Valuation Report. The Portfolio has been independently valued for the Company by the Valuer in accordance with the RICS Valuation – Professional Standards 2017 (the “**Red Book**”). No material changes have occurred since the date of valuation as set out in the Valuation Report and this document. The Valuer is DTZ Debenham Tie Leung Limited (trading as Cushman & Wakefield) (“**Cushman & Wakefield**”) (a private limited company incorporated in England on 16 October 1992 under the Companies Act 1985 with registered number 02757768).

The valuation of the Portfolio at £422.6 million in the Valuation Report reflects an increase of £54.4m from the Portfolio’s market value of approximately £368.2 million as at 30 June 2019. Since 30 June 2019, the Company has completed the purchase of a Sainsbury’s store in Preston for £54.4 million (excluding acquisition costs). Following this acquisition, the Portfolio has a passing rent roll of £22.1 million and a WAULT of 19 years.

Details of the eight assets which make up the Portfolio as at the date of this document are set out below:

Tenant	Tesco	Tesco	Sainsbury's	Tesco	Tesco	Morrisons	Tesco	Sainsbury's ¹
Location	Thetford, Norwich	Lime Trees, Bristol	Ashford, Kent	Cumbernauld, North Lanarkshire	Doncaster Road, Scunthorpe	Hillsborough, Sheffield	Mansfield, Notts	Preston, Lancashire
Acquisition Date	Aug 2017	Aug 2017	Aug 2017	Dec 2017	May 2018	Jul 2018	Apr 2019	Aug 2019
Purchase Price (millions)	£43.2	£28.5	£79.8	£50.0	£53.0	£51.7	£45.0	£54.4
Valuation at 30 June 2019 (millions)	£43.4	£29.6	£84.5	£55.1	£55.7	£53.0	£46.9	£54.4
Passing annual rent (millions)	£2.64	£1.58	£3.93	£3.03	£2.98	£2.54	£2.51	£2.96
GIA (sq.ft.)	78,000	55,000	125,000	117,000	98,000	113,000	90,000	106,000
NSA (sq.ft.)	48,000	31,000	72,000	70,000	65,000	58,000	64,000	78,000
Rent review basis	Annual RPI	Annual RPI	Annual RPI	Annual RPI	Annual RPI	5 yearly RPI	Annual RPI	Annual RPI
Lease Expiry	Dec 2029	Mar 2031	Sep 2038	Aug 2040	Aug 2040	Oct 2039	Mar 2039	Feb 2042
Tenure	Virtual freehold ²	Virtual freehold ²	Freehold	Virtual freehold ²	Virtual freehold ²	Virtual freehold ²	Virtual freehold ²	Freehold

2 Portfolio details

2.1 Sainsbury's, Ashford

A Sainsbury's store comprising 72,000 sq. ft. Net Sales Area ("**NSA**") on 17 acres in Ashford, Kent. The site has more than 700 parking spaces, a 12-pump petrol filling forecourt and dedicated online fulfilment distribution docks. The property is leased to Sainsbury's under annual, upward only, RPI-linked (capped and floored) rent reviews on full repairing and insuring terms with the first break being at the time of lease expiry in September 2038.

This property is ideally located to serve the ever-growing Ashford population, located in close proximity to the town centre and directly adjacent to the M20 and a major leisure park. This store plays an important role in Sainsbury's online fulfilment network in the South East and fulfils both online home delivery and click and collect. The store has benefited from significant capital investment with Sainsbury's undertaking a major extension and refurbishment of the entire site in 2011.

The REIT Group acquired the property in August 2017 for £79.8 million, reflecting a net initial yield of 4.5 per cent.

2.2 Tesco, Thetford

A Tesco Superstore comprising 48,000 sq. ft. NSA on a 10.4 acre site with more than 500 parking spaces, a 12-petrol filling forecourt and dedicated online fulfilment distribution docks. The property is leased to Tesco under annual, upward only, RPI-linked (capped and floored) rent reviews on full repairing and insuring terms with the first break being at lease expiry in December 2029.

The property has a long history of strong trading and is situated directly adjacent to the future Kingsfleet development. The Crown Estate has detailed planning consent to build 5,000 homes, three schools and associated infrastructure adjacent to this store. The Kingsfleet development is expected to take over 10 years to complete, with 'phase one' currently under construction, and will ultimately re-position this Tesco store in the centre of the significantly enlarged town of Thetford.

The REIT Group acquired the property in August 2017 for £43.2 million, reflecting a net initial yield of 5.4%. This store fulfils both online home delivery and click and collect.

2.3 Tesco, Bristol

A Tesco Superstore comprising 31,000 sq. ft. (NSA) on a 5.7 acre site with more than 450 parking spaces.

The property is leased to Tesco under annual, upward only, RPI-linked (capped and floored) rent reviews on full repairing and insuring terms with the first break being at the time of lease expiry in March 2031.

The property is situated within the Henleaze suburb of Bristol and has a long history of strong trading performance. This suburban store facilitates online fulfilment via click and collect.

The Group acquired the property in August 2017 for £28.5 million, reflecting a net initial yield of 4.9 per cent.

2.4 Tesco, Cumbernauld

A Tesco Extra supermarket comprising 70,000 sq. ft. (NSA) on a 9.5 acre site with 570 parking spaces, a 12-pump petrol filling forecourt and dedicated online fulfilment distribution docks. The property is leased to Tesco under annual, upward only, RPI-linked (capped and floored) rent reviews on full repairing and insuring terms with the first break being at the time of lease expiry in August 2040. The site occupies a town centre location equidistant from Glasgow and Stirling.

The store has a strong trading record and plays an important role in Tesco Scottish online fulfilment network. This store fulfils both online home delivery and click and collect.

The REIT Group acquired the property in December 2017 for £50.0 million, reflecting a net initial yield of 5.3 per cent.

2.5 *Tesco Extra, Scunthorpe*

A Tesco Extra supermarket in the north Lincolnshire town of Scunthorpe. Developed in 2002, the store totals 65,000 sq. ft. (NSA) on an 8.3 acre site with more than 580 parking spaces, an eight pump petrol filling forecourt and dedicated online fulfilment distribution docks. It was acquired with annual, upward-only, RPI-linked rent reviews (capped and floored) on fully repairing and insuring terms with the first break being at lease expiry in August 2040.

The store is strategically located to support online fulfilment given the excellent motorway and road connections and plays an important role in the Tesco online fulfilment network. The store has a strong trading record on site and is situated adjacent to the Lincolnshire Lakes development, which consists of more than 6,000 new homes. This store fulfils both online home delivery and click and collect.

The REIT Group acquired the property in May 2017 for £53.0 million, reflecting a net initial yield of 5.1 per cent.

2.6 *Morrisons', Sheffield*

A Morrisons supermarket located on an 8.4-acre site in the historic and prominent Hillsborough Barracks. It comprises a 58,000 sq. ft (NSA) store, approximately 860 parking spaces and a 12-pump petrol filling station. The store has a history of strong trading and is prominently placed to serve the Hillsborough area.

It was acquired with, upward-only, RPI-linked rent reviews compounded annually (capped and floored) with the first break being at lease expiry in October 2039. The next rent review is scheduled for October 2019 and every five years thereafter. Since acquisition, the store benefited from a significant capital investment programme by Morrisons which significantly increased the net internal sales area over by over 5,000 sq. ft.

The REIT Group acquired the property in July 2018 for £51.7 million, reflecting a net initial yield of 4.9 per cent.

2.7 *Tesco, Mansfield*

A Tesco Extra supermarket located on an 8.6-acre town center site in Mansfield, Nottinghamshire. The store comprises a 64,000 sq. ft (NSA) Tesco Extra, approximately 530 parking spaces and a 12-pump petrol filling station.

The store was originally developed in 2007 and occupies a prominent position as the only large Supermarket inside Mansfield's inner ring road with the store's catchment area set to benefit from significant residential development. The store facilitates online fulfilment via click and collect.

It was acquired with annual, upward-only, RPI-linked rent reviews (capped and floored) on fully repairing and insuring terms and with the first break being at lease expiry in March 2039.

The REIT Group acquired the property in April 2019 for £45.0 million, reflecting a net initial yield of 5.2 per cent.

2.8 *Sainsbury's, Preston*

A Sainsbury's store comprising 78,000 sq. ft (NSA) located on a 9.9 acre site in Preston, Lancashire. The site has over 500 parking spaces and a 12-pump petrol filling station. The store was extended in 2010 and now plays an important role in Sainsbury's online fulfillment network across the Lancashire area.

The property is let to Sainsbury's on a fully repairing and insuring lease with annual, upwards only, RPI linked rent reviews (capped and floored). It has an unexpired lease term of 23 years with the first break being on lease expiry in February 2042. The property's catchment area is situated within the Bartle lane development area, which will see the development of up to 1,100 new homes and associated infrastructure. This store fulfils both online home delivery and click and collect.

The REIT Group acquired the property in August 2019 for £54.4 million reflecting a net initial yield of 5.1 per cent.

PART 11

VALUATION REPORT



Cushman & Wakefield
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VALUATION RECORD

To: Supermarket Income REIT plc (the “**Company**”) 7th Floor 9 Berkeley Street London W1J 8DW Stifel Nicolaus Europe Limited (“**Stifel**”) 4th Floor 150 Cheapside London EC2V 6ET (the “**Addressees**”)

Property: The address, tenure and property type of each part of the property (the “**Properties**”) is included in Appendix 1 of this Valuation Report.

Report date: 12/09/2019

Valuation date: 30/06/2019 (being 3 September 2019 for the Sainsbury’s at Preston) (the “**Valuation Dates**”)

1 Instructions

1.1 Appointment

We are pleased to submit our report and valuation (the “**Valuation Report**”), which has been prepared in accordance with the engagement letter entered into between us, the Company and Stifel dated 11 September 2019 (the “**Engagement Letter**”). This Engagement Letter and the terms set out therein constitute the “**Engagement**”.

Included in the Engagement is the Valuation Services Schedule (“**VSS**”). This Valuation Report is in condensed form and includes references to our VSS. The VSS is included in our full report, a copy of which (with commercially sensitive information redacted) may be obtained upon request from the Addressees. It is essential to understand that the contents of this Valuation Report are subject to the various matters we have assumed, which are referred to and confirmed as Assumptions in the VSS. Unless otherwise defined, all capitalised terms herein shall be as defined in the VSS.

We have valued the property interests in the Properties and hereby confirm that as at the date of this Valuation Report, we have not become aware (after making reasonable enquiries of the Company and on the assumption that the Company has provided a full response to those enquiries) of any material change since the Valuation Dates in any matter relating to the Properties which in our opinion would have a material effect on the Market Value of the Properties as at the date of this document, and in relation to market conditions and movements in property markets in which the Properties are located, we do not consider that any movement in respect of the Properties constitutes a material change to the Market Value reported.

A list of the addresses comprising the Properties, together with a note of their tenure, is included in Appendix 1.

1.2 Compliance with RICS Valuation – Global Standards

We confirm that the valuation and Valuation Report have been prepared in accordance with the requirements of the RICS Valuation – Global Standards which incorporate the International Valuation Standards (“**IVS**”) and the RICS UK National Supplement (the “**RICS Red Book**”) edition current at the Valuation Date. It follows that the valuation is compliant with IVS.

1.3 Status of Valuer and Conflicts of Interest

We confirm that all valuers who have contributed to the valuation of the Properties have complied with the requirements of PS 1 of the RICS Red Book. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuation of the Properties competently. We confirm that David Tittle has overall responsibility for the valuation of the Properties and is in a position to provide an objective and unbiased valuation and is competent to undertake the valuation. Finally, we confirm that we have undertaken the valuation of the Properties acting as an External Valuer as defined in the RICS Red Book.

As you are aware, C&W have previous involvement with the separate properties which comprise the Properties in that C&W have valued them for the purposes of the Company's accounts in 2018 and 2019. We note that C&W are currently instructed to value 2 of the Properties for loan monitoring purposes.

1.4 Purpose of Valuation

The purpose of this Valuation Report is for inclusion in a prospectus (the “**Prospectus**”) dated 12 September 2019 published by the Company in connection with the Initial Issue and the Placing Programme (each as defined in the Prospectus) (the “**Purpose of the Valuation Report**”).

In accordance with PS 2.5 and UK VPS 3 of the RICS Red Book we have made certain disclosures in connection with this valuation instruction and our relationship with the Company. These are included in item 1.5 below.

1.5 Disclosures required under the provisions of PS 2.5 and UK VPS 3

David Tittle

C&W was first instructed to address a valuation report to the Company in 2017. We are instructed to prepare valuation reports for the Company on a biannual basis for financial reporting purposes. David Tittle is the signatory of this Valuation Report.

C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals not exceeding seven years. C&W's policy in this regard is explained in the VSS.

C&W's relationship with the Company

C&W have been carrying out valuation instructions for Supermarket Income REIT PLC since 2017.

Fee income from the Company

On 1 September 2015, DTZ acquired Cushman & Wakefield and the combined group now trades under the Cushman & Wakefield brand. C&W's financial year end is 31 December. We confirm that the proportion of fees payable by the Company and its subsidiary companies to C&W in the financial year ended 31 December 2018 was less than 5 per cent. We anticipate that the proportion of fees for the financial year to 31 December 2019 will remain less than 5 per cent.

1.6 Inspections

The Properties have been inspected internally and externally between 4 July 2018 and 4 September 2019.

1.7 Floor areas

Unless specified otherwise, floor areas and analysis in this Valuation Report are based on the following bases of measurement, as defined in RICS Property Measurement (the edition current at the Valuation Date):

Retail	GIA
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1.8 Accommodation

Source of Floor Areas

We have been provided with floor areas by the Company or their professional advisers, and we have carried out check measurements on site. There was no material difference between our measured areas and the areas provided by the Company or its professional advisers; consequently, we have adopted the areas provided.

1.9 Sources of information

In addition to information established by us, we have relied on the information obtained from the Company and its professional advisers.

We have made the Assumption (as that term is defined in the VSS) that the information provided by the Company and its professional advisers in respect of the Properties is both complete and correct. We have made the further Assumption that details of all matters relevant to value within their collective knowledge, such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to us, and that such information is up to date.

2 Basis of valuation

Our opinion of the Market Value of the Properties has been primarily derived using comparable recent market transactions on arm's length terms.

Market Value

The term "Market Value" as referred to in VPS 4 Item 4 of the RICS Red Book and applying the conceptual framework which is set out in IVS 104: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

3 Taxation and costs

We have not made any adjustment to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposal incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

We have made a deduction to reflect a purchaser's acquisition costs.

4 VAT

The Company has advised us that the option to tax has been exercised in respect of all the commercial elements of the Properties.

The capital valuations and rentals included in this Valuation Report are net of Value Added Tax at the prevailing rate.

5 Property information

5.1 Enquiries

We have made various enquiries relating to the Properties, details of which can be found in the VSS.

The results of our enquiries and inspections do not contradict the Assumptions which we have made and are referred to in the VSS.

As stated in the VSS, in accordance with the Company's instructions, we have not made enquiries of the relevant planning authorities.

6 Valuation

We are of the opinion that the Market Value of the freehold and leasehold interests in the Properties, subject to the existing tenancies, as at the Valuation Dates (being 30 June 2019 for the Properties other than the Sainsbury's at Preston, which is valued as at 3 September 2019), subject to the Assumptions and comments in this Valuation Report and the Appendices, was:

Freehold	£138,850,000 (One hundred and thirty eight million, eight hundred and fifty thousand pounds)
Long leasehold	£283,780,000 (Two hundred and eighty three million, seven hundred and eighty thousand pounds)
Total	£422,630,000 (Four hundred and twenty two million, six hundred and thirty thousand pounds)

Long leasehold is defined as an interest with an unexpired term of more than 50 years. The average unexpired length of the long leasehold interests in the Properties is 18.7 years by reference to income.

The difference between the valuation figure in this Valuation Report and the valuation as at 30 June 2019 in Part 10 of the Prospectus is due to the fact that the Company has made an acquisition of property since 30 June 2019. The aggregate Market Value of the Company's property portfolio as at 30 June 2019 was £368.23 million. Since 30 June 2019, the Company has acquired a Sainsbury's store in Preston for £54.4 million plus acquisition costs.

The Company holds two freehold properties and six long leasehold properties.

7 Modification and alterations

This Valuation Report or any part of it may not be modified, altered (including altering the context in which the Valuation Report is displayed) or reproduced without our prior written consent. Any person who breaches this provision shall indemnify us against all claims, costs, losses and expenses that we may suffer as a result of such breach.

To the fullest extent permitted by law, we hereby exclude all liability arising from use of and/or reliance on this Valuation Report by any person or persons except as otherwise set out herein or in the VSS.

8 Reliance and Responsibility

For the purposes of Prospectus Regulation Rule 5.3.2R(c), we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge, the information contained in this Valuation Report is in accordance with the facts and this Valuation Report contains no omissions likely to affect its import. We have given our consent for the purpose of Item 1.3 of Annex 3 to the PR Regulation to the inclusion of this Valuation Report in the Prospectus and to the references to this Valuation Report and itself in the Prospectus in the form and context in which they appear.

This Valuation Report complies with Prospectus Regulation Rule 5.4.5G and paragraphs 128 to 130 of CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004.

Signed for and on behalf of Cushman & Wakefield Debenham Tie Leung Limited.

David Tittle FRICS

Partner

RICS Registered

Valuer

APPENDIX 1 – Property Schedule

PROPERTY	INTEREST	PROPERTY TYPE	INSPECTION DATE
Sainsbury's Superstore, Simone Weil Avenue, ASHFORD, Kent, TN24 8Y	Freehold	Foodstore investment	1 March 2019
Tesco Superstore, Lime Trees Road, BRISTOL, Avon BS6 7XW	999 years from 26 October 2006 at a rent of £2, fixed throughout the term	Foodstore investment	1 March 2019
Tesco Extra Superstore, Tryst Road, CUMBERNAULD, Lanarkshire G67 1JW	175 years (including option to extend) from 25 June 2003 at a peppercorn rent, fixed throughout the term	Foodstore investment	6 July 2018
Tesco Extra Superstore, Chesterfield Road South MANSFIELD Notts NG19 7TS	999 years from 31 March 2010 at a rent of £2, fixed throughout the term	Foodstore investment	4 September 2019
Sainsburys Superstore, Flintoff Way PRESTON PR1 6PJ	Freehold	Foodstore investment	3 September 2019
Tesco Extra Superstore Gallagher Retail Park Doncaster Road SCUNTHORPE Lincolnshire DN15 8GR	999 years from 26th October 2006 at a rent of £2, fixed throughout the term.	Foodstore investment	4 July 2018
Morrisons Superstore 699 Penistone Road SHEFFIELD Yorkshire S6 2GY	125 years from 26th January 2014 at a rent of £10, fixed throughout the term.	Foodstore investment	9 July 2018
Tesco Extra Superstore, Kilverstone, THETFORD, Norfolk, IP24 2RL	999 years from 9 October 2006 at a rent of £2, fixed throughout the term	Foodstore investment	30 June 2019

APPENDIX 2 – Definitions Schedule

1. Bases of Valuation:

Market Value

Market Value as referred to in VPS4, Item 4 of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards (“**IVS**”) and the RICS UK Valuation Standards (the “**RICS Red Book**”), and applying the conceptual framework which is set out in IVS104:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”

The conceptual framework set out in IVS104 is reproduced below:

“30.2. The definition of Market Value must be applied in accordance with the following conceptual framework:

- (a) *“The estimated amount” refers to a price expressed in terms of money payable for the asset in an arm’s length market transaction. Market Value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone General Standards – IVS 104 Bases of Value General Standards General Standards – IVS 104 Bases of Value 19 associated with the sale, or any element of value available only to a specific owner or purchaser.*
- (b) *“An asset or liability should exchange” refers to the fact that the value of an asset or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the Market Value definition at the valuation date.*
- (c) *“On the valuation date” requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date.*
- (d) *“Between a willing buyer” refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”.*
- (e) *“And a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.*

- (f) *“In an arm’s length transaction” is one between parties who do not have a particular or special relationship, e.g., parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated. The Market Value transaction is presumed to be between unrelated parties, each acting independently.*
 - (g) *“After proper marketing” means that the asset has been exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date.*
 - (h) *“Where the parties had each acted knowledgeably, prudently” presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses, and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the General Standards – IVS 104 Bases of Value International Valuation Standards General Standards – IVS 104 Bases of Value 20 valuation date, not with the benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.*
 - (i) *“And without compulsion” establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.*
- 30.3. *The concept of Market Value presumes a price negotiated in an open and competitive market where the participants are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market participants. The market in which the asset is presumed exposed for sale is the one in which the asset notionally being exchanged is normally exchanged.*
- 30.4. *The Market Value of an asset will reflect its highest and best use (see paras 140.1-140.5). The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.*

Fair Value – IFRS	<p>Fair Value is referred to in VPS4 Item 7 of the RICS Red Book. Under these provisions, the term “Fair Value” means the definition adopted by the International Accounting Standards Board (“IASB”) in IFRS 13:</p> <p><i>“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.</i></p>
Fair Value – UK GAAP	<p>Fair Value in accordance with RICS UK Valuation Standard (“UKVS”) 1. Under these provisions, the term “Fair Value” means:</p> <p><i>“The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted between knowledgeable, willing parties in an arm’s length transaction.”</i></p>
Market Rent	<p>Market Rent as referred to in VPS 4 Item 5 of the RICS Red Book. Under VPS 4 Item 5 the term “Market Rent” is defined in IVS104 as: “The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.</p> <p>Whenever Market Rent is provided the “appropriate lease terms” which it reflects should also be stated.</p> <p>The commentary from VPS4 Item 5 of the RICS Red Book is reproduced below:</p> <p><i>“5.1 Market rent will vary significantly according to the terms of the assumed lease contract. The appropriate lease terms will normally reflect current practice in the market in which the property is situated, although for certain purposes unusual terms may need to be stipulated. Matters such as the duration of the lease, the frequency of rent reviews and the responsibilities of the parties for maintenance and outgoings will all impact the market rent. In certain countries or states, statutory factors may either restrict the terms that may be agreed, or influence the impact of terms in the contract. These need to be taken into account where appropriate.</i></p> <p><i>5.2. Market rent will normally be used to indicate the amount for which a vacant property may be let, or for which a let property may be re-let when the existing lease terminates. Market rent is not a suitable basis for settling the amount of rent payable under a rent review provision in a lease, where the definitions and assumptions specified in the lease have to be used.</i></p> <p><i>5.3 Valuers must therefore take care to set out clearly the principal lease terms that are assumed when providing an opinion of market rent. If it is the market norm for lettings to include a payment or concession by one party to the other as an incentive to enter into a lease, and this is reflected in the general level of rents agreed, the market rent should also be expressed on this basis. The nature of the incentive assumed must be stated by the valuer, along with the assumed lease terms.”</i></p>
Existing Use Value	<p>Existing Use Value as defined in UKVS 1. Under UKVS 1, the term “Existing Use Value” is defined as follows:</p> <p><i>“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer</i></p>

is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost”.

2. Special Assumptions:

Special Assumptions The Glossary of the RICS Red Book states that an Assumption “*that either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date*” is a Special Assumption.

APPENDIX 3 – Address, Tenure and Value

Address	Description & tenure	Occupational tenancies	Market Value as at 30 June 2019
Property held for investment:			
Sainsbury's Superstore, Simone Weil Avenue, ASHFORD, Kent TN24 8YN	<p>Out of town centre foodstore having a gross internal floor area of 11,609.4 m² (124,964 ft²). There are about 702 parking spaces and a 16 pump petrol filling station. Site area approx. 6.712 hectares (16.59 acres).</p> <p>Built in 1991 and extended in 2011.</p> <p>Freehold</p>	<p>Entirely let to Sainsbury's Supermarkets Ltd on full repairing and insuring terms for 25 years expiring 5th September 2038 with a tenant's option to renew on substantially the same terms for a period of 25 years at market rent.</p> <p>The rent is increased annually on 6th September in line with changes in the Retail Price Index (RPI) subject in any year to a minimum of 1.0% and a maximum of 3.0%.</p> <p>The tenant has a right of pre-emption to purchase the property if the freeholder decides to sell.</p>	£84,450,000
Tesco Superstore, Lime Trees Road, BRISTOL Avon BS6 7XW	<p>Out of town centre foodstore having a gross internal floor area of 5,045.7 m² (54,312 ft²) with 468 parking spaces. Site area approx. 2.961 hectares (7.32 acres).</p> <p>Built in 1993.</p> <p>999 years from 25th October 2006 at a rent of £2, fixed throughout the term.</p>	<p>Entirely sublet to Tesco Property Nominees (No.5) Limited and Tesco Property Nominees (No.6) Limited, guaranteed by Tesco Plc on full repairing and insuring terms for 20 years expiring 1st March 2031.</p> <p>The rent is increased annually on 1st March in line with changes in Retail Price Index (RPI) based on the 12 month's period published in November preceding the review subject in any year to a minimum of 0% and a maximum of 4.0%.</p> <p>The tenant has an option to take 3 further leases of the premises, each for 10 years. The first further lease will commence at market rent subject to annual review on the same basis as the current lease.</p> <p>The tenant has the option to purchase the property on lease expiry and also has the right to substitute the asset.</p>	£29,600,000
Tesco Extra Superstore, Tryst Road, CUMBERNAULD G67 1JW	<p>Out of town centre foodstore having a gross internal floor area of 11,182.9 m² (120,373 ft²) with 584 parking spaces and a 12 pump petrol filling station. Site area approx. 3.78 hectares (9.34 acres).</p> <p>Built in 2004.</p> <p>175 years (including option to extent) from 25th June 2003 at a peppercorn rent, fixed throughout the term.</p>	<p>Entirely sublet to Tesco Property Nominees (No.5) Limited and Tesco Property Nominees (No.6) Limited, guaranteed by Tesco Plc on full repairing and insuring terms for 30 years expiring 30th September 2039.</p> <p>The rent is increased annually on 25th March in line with changes in the Retail Price Index (RPI) based on the 12 month's period published in September preceding the review subject in any year to a minimum of 0% and a maximum of 5.0%.</p> <p>The tenant has an option to take 3 further leases of the premises, each for 10 years. The first further lease will commence at market rent subject to annual review on the same basis as the current lease.</p>	£55,140,000

Address	Description & tenure	Occupational tenancies	Market Value as at 30 June 2019
<p>Tesco Extra Chesterfield Road South MANSFIELD Notts NG19 7TS</p>	<p>Out of town centre foodstore having a gross internal floor area of 8,496.6.7 m² (91,457 ft²) with 540 parking spaces and a 12 pump fuel station.</p> <p>Site area approx. 3.39 hectares (8.38 acres).</p> <p>Built in 2007.</p> <p>999 years from 31 March 2010 at a rent of £2, fixed throughout the term.</p>	<p>Entirely sublet to Tesco Stores Limited, guaranteed by Tesco Plc on full repairing and insuring terms for 29 years (including 9 year lease extension) expiring 30th March 2039.</p> <p>The rent is increased annually on 31st March in line with changes in Retail Price Index (RPI) based on the 12 month's period published in December preceding the review subject in any year to a minimum of 0% and a maximum of 4.0%.</p> <p>The tenant has an option to take 3 further leases of the premises, each for 10 years. The first further lease will commence at market rent subject to annual review on the same basis as the current lease.</p> <p>The tenant has the option to purchase the property on lease expiry and also has the right to substitute the asset.</p>	<p>£46,850,000</p>
<p>Tesco Extra Superstore Gallagher Retail Park Doncaster Road SCUNTHORPE North Lincolnshire DN15 8GR</p>	<p>Out of town centre food store having a gross internal floor area of 9,014.4 sq m (97,032 sq ft) with 586 parking spaces and an 8 pump petrol filling station.</p> <p>Site area approx. 3.37 hectares (8.32 acres).</p> <p>Built in 2002.</p> <p>999 years from 26th October 2006 at a rent of £2, fixed throughout the term.</p>	<p>Entirely sublet to Tesco Property Nominees (No.5) Limited and Tesco Property Nominees (No.6) Limited, guaranteed by Tesco Plc on a full repairing and insuring basis for a term of 30 years expiring 27th August 2040.</p> <p>The rent is increased annually on 31st March in line with changes in the Retail Price Index (RPI) based on the 12 month's period published in September preceding the review subject in any year to a minimum of 0% and a maximum of 5.0%.</p> <p>The tenant has an option to take 3 further leases of the premises, each for 10 years. The first further lease will commence at market rent subject to annual review on the same basis as the current lease except that the RPI increase will be capped at 4.0%.</p> <p>The tenant has the option to purchase the property on lease expiry and also has the right to substitute the asset.</p>	<p>£55,740,000</p>

Address	Description & tenure	Occupational tenancies	Market Value as at 30 June 2019
Morrisons Superstore 699 Penistone Road SHEFFIELD S6 2GY	<p>Out of city centre food store having a gross internal floor area of 11,623.6 sq m (125,115 sq ft) with 867 parking spaces and a 12 pump petrol filling station.</p> <p>Site area approx. 3.4 hectares (8.39 acres).</p> <p>Originally built in 1854, restored and developed for its current use between 1991 and 1996.</p> <p>125 years from 26th January 2014 at a rent of £10, fixed throughout the term.</p>	<p>Entirely sublet to WM Morrison Supermarkets Plc on full repairing and insuring terms expiring 30th September 2039.</p> <p>The rent is increased on 1st October 2019 and 5 yearly in line with changes in the Retail Price Index (RPI) based on the index published in September subject in any year to a minimum of 0% and a maximum of 4.0% compounded over the 5 year period.</p> <p>The tenant has an option to renew on 2 occasions, each time specifying a lease term of 15, 20 or 25 years.</p> <p>The tenant has a right of pre-emption to purchase the 125 year leasehold interest if the leaseholder decides to sell.</p>	£53,020,000
Tesco Extra Superstore, Kilverstone, THETFORD Norfolk IP24 2RL	<p>Out of town centre food store having a gross internal floor area of 7,286.6 sq m (78,239 sq ft) with 520 parking spaces and a 8 pump petrol filling station.</p> <p>Site area approx. 5.27 hectares (13.27 acres).</p> <p>Built in 1991.</p> <p>999 years from 9th October 2006 at a rent of £2, fixed throughout the term.</p>	<p>Entirely sublet to Tesco Stores Limited, guaranteed by Tesco Plc on full repairing and insuring terms for 20 years expiring 22nd December 2029.</p> <p>The rent is increased annually on 23rd December in line with changes in the Retail Price Index (RPI) based on the 12 month's period published in May preceding the review subject in any year to a minimum of 0% and a maximum of 4.0%.</p> <p>The tenant has an option to take 3 further leases of the premises, each for 10 years. The first further lease will commence at market rent subject to annual review on the same basis as the current lease.</p> <p>The tenant has the option to purchase the property on lease expiry and also has the right to substitute the asset.</p>	£43,430,000
TOTAL MARKET VALUE			£368,230,000

Address	Description & tenure	Occupational tenancies	Market Value as at 3 September 2019
Property held for investment:			
Sainsburys Superstore, Flintoff Way PRESTON PR1 6PJ	<p>Out of town centre foodstore having a gross internal floor area of 9,925.1 m² (106,834 ft²). There are about 514 parking spaces and a 12 pump petrol filling station.</p> <p>Site area approx. 4.009 hectares (9.91 acres).</p> <p>Built in 1992 and extended C 2007.</p> <p>Freehold</p>	<p>Entirely let to Sainsbury's Supermarkets Ltd on full repairing and insuring terms for 30 years expiring 28th February 2042 with a tenant's option to renew on substantially the same terms for a period of 25 years at market rent.</p> <p>The rent is increased annually on 29th February in line with changes in the Retail Price Index (RPI) subject in any year to a minimum of 1.0% and a maximum of 4.0%.</p> <p>The tenant has a right of pre-emption to purchase the property if the freeholder decides to sell.</p>	£54,400,000
TOTAL MARKET VALUE AS AT 3 SEPTEMBER 2019			£422,630,000

PART 12

DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

1 Directors

The Board currently comprises three non-executive Directors. The Directors are as follows:

<u>Name</u>	<u>Position</u>	<u>Date appointed to the Board</u>
Nick Hewson	Chairman	5 June 2017
Vincent Prior	Non-executive Director and Senior Independent Director	5 June 2017
Jon Austen	Non-executive Director	5 June 2017

The business address of the Directors is currently 7th Floor, 9 Berkeley Street, London W1J 8DW.

The management expertise and experience of each of the Directors is set out below.

Nick Hewson (Chairman), age 61, date appointed to the Board: 5 June 2017

Nick Hewson is a fellow of the Institute of Chartered Accountants in England and Wales. He serves as senior independent director and chair of the audit committee of Redrow plc, a FTSE 250 company and one of the UK's leading housebuilders and construction companies. Prior to this, Nick was chair of the executive committee of Pradera AM plc, a European retail property fund management business. He was a founding partner of City Centre Partners LP for ten years until 2013. Nick was also the co-founder, CEO and chairman of Grantchester Holdings plc, a listed developer and investor in the UK retail warehouse industry, where he worked between 1990 and 2002.

Vincent Prior, age 62, date appointed to the Board: 5 June 2017

Vincent joined Sainsbury's Property Investment team in 2008 and was subsequently appointed as Head of Property Investment. Over a five year period to 2014, the value of Sainsbury's property portfolio grew from £7.5 billion to £12 billion. Prior to this, Vincent was the head of Retail Advisory Services at Jones Lang LaSalle and provided strategic advice to a range of high profile supermarket and retail operators. Vincent started his career working for Tesco Stores plc where he helped to set up the store location team. Vincent was appointed as senior independent director of the Company in 2018.

Jon Austen, age 63, date appointed to the Board: 5 June 2017

Jon Austen is a fellow of the Institute of Chartered Accounts in England and Wales and is currently chief financial officer at Audley Limited, which develops and operates retirement villages in the UK. Jon is also a non-executive director, senior independent director and chair of the audit and risk committee of McKay Securities plc, a company which specialises in office and industrial in London and the South East of England. Prior to this, Jon was group finance director of Terrace Hill plc, before it merged with Urban&Civic Property plc and continued as group finance director following the merger. Jon has also held senior finance roles at London and Edinburgh Trust plc, Pricoa Property plc and Goodman Limited.

Compensation

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairman, the initial fees will be £35,000 for each Director per annum. The Chairman's initial fee will be £55,000 per annum. In addition, the Chair of the Audit Committee and the Senior Independent Director will each receive an additional fee of £3,500 per annum.

Each of the Directors will also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the business of the Company. The Board may determine that additional

remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

2 **Conflicts of interest**

The AIFM, the Investment Adviser and their officers and employees may from time to time act for other clients or manage or advise other funds, which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of the AIFM or the Investment Adviser or such other funds. The Directors have satisfied themselves that the AIFM and the Investment Adviser have procedures in place to address potential conflicts of interest. Pursuant to the Investment Advisory Agreement, the Investment Adviser will not engage in any property acquisition services in relation to any asset(s) falling within the Company's stated Investment Policy and investment objective, which have been identified by the Investment Adviser without offering the Company a right of first refusal in respect of such asset(s).

The Directors will seek to ensure that any conflict of interest is resolved fairly and in the interests of the Company.

The AIFM, the Investment Adviser and any of their directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an **"Interested Party"**) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

There are no actual or potential conflicts of interest between any duties owed to the Company, the Directors or the Investment Adviser or any of the Directors and their private interests or duties.

3 **Treasury policy**

See paragraph 10 of Part 8 of this document for details of the Company's treasury policy.

4 **Valuation policy**

See paragraph 11 of Part 8 of this document for details of the Company's valuation policy.

5 **Corporate governance**

5.1 *General*

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Guidance. The AIC Code, as explained by the AIC Guidance, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guidance, will provide better information to Shareholders.

The Financial Reporting Council ("**FRC**"), the UK's independent regulator for corporate reporting and governance responsible for the UK Corporate Governance Code, has endorsed the AIC Code and the AIC Guidance. The terms of the FRC's endorsement mean that AIC members who report against the AIC Code and the AIC Guidance meet fully their obligations under the UK Corporate Governance Code and the related disclosure requirements contained in the Listing Rules.

The UK Corporate Governance Code includes provisions relating to: the role of the chief executive; the appointment of a senior independent director; executive directors' remuneration; and the need for an internal audit function. For the reasons set out in the AIC Guidance, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company and the Company does not, therefore, intend to comply with them.

No individual or group of individuals dominates the Board's decision making process.

5.2 *Committees*

The Board has the following committees:

5.2.1 ***The Audit Committee***

The Audit Committee comprises Jon Austen and Vincent Prior and is chaired by Jon Austen. Jon Austen has sufficient recent and relevant financial experience to act as chair of the Audit Committee. The Audit Committee has responsibility for, amongst other things, the planning and review of the REIT Group's annual report and accounts and half-yearly reports and the involvement of the REIT Group's auditors in the process. The committee focuses in particular on compliance with legal requirements, accounting standards and on ensuring that an effective system of internal financial control is maintained. The Audit Committee also reviews the objectivity of the REIT Group's auditors and the terms under which the REIT Group's auditors are appointed to perform non-audit services.

The terms of reference of the Audit Committee cover such issues as committee membership, frequency of meetings, quorum requirements and the right to attend meetings. The responsibilities of the Audit Committee covered in the terms of reference relate to the following: external audit, internal audit, financial reporting, internal controls and risk management. The terms of reference also set out reporting responsibilities and the authority of the committee to carry out its responsibilities.

The Audit Committee meets not less than twice a year and at the appropriate times in the reporting and audit cycle and at such other times as the Chairman shall require.

5.2.2 ***Other committees***

The Board fulfils the responsibilities typically undertaken by a nomination committee and a remuneration committee.

The Board as a whole also fulfils the functions of a management engagement committee. The Board will review the actions and judgements of management in relation to the interim and annual financial statements and the Company's compliance with the rules of the London Stock Exchange, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the AIC Code. It will review the terms of the AIFM Agreement and the Investment Advisory Agreement and examine the effectiveness of the Company's internal control systems and the performance of the AIFM and the Investment Adviser, Administrator, Company Secretary and Registrar.

6 **Senior Independent Director**

Vincent Prior is currently the Senior Independent Director (the "**SID**"). The principal role of the SID is to support the Chairman in his role; to act as an intermediary between the Chairman and the other Director, Jon Austen, when necessary; and to assist the non-executive Directors with their oversight of the Chairman.

The SID, taking into account the views of Jon Austen as appropriate, assists the Directors in the annual performance evaluation of the Chairman.

The SID meets with Jon Austen without the Chairman present to enable:

- (a) him to relay to the SID any issues, concerns or observations they may have; and
- (b) the SID to relay to Jon Austen his observations and any views he may have received from major shareholders.

The SID and Jon Austen are expected to maintain an appropriate level of contact with each other between these meetings.

Nothing above is intended to preclude the Chairman and Directors from talking directly to each other.

The SID is available to discuss matters which Shareholders do not wish to raise with the Board more generally.

The SID also acts as the Board's contact with regulators as and when required.

7 The AIFM and the Investment Adviser

The Company has appointed JTC Global AIFM Solutions Limited as the Company's alternative investment fund manager (the "**AIFM**"). The AIFM provides certain services in relation to the Company and its portfolio, which include risk management and portfolio management in respect of the Company in accordance with the Company's investment strategy.

The AIFM, JTC Global AIFM Solutions Limited, is a limited liability company incorporated in Guernsey on Monday, 9 January, 2017 under The Companies (Guernsey) Law, 2008, as amended, with company number 62964. The AIFM is licensed by the GFSC under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, to conduct certain restricted activities in relation to collective investment schemes. The registered office of the AIFM is Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT and its telephone number is +44 (0)1481 702400.

The AIFM seeks to ensure that investors are treated fairly in a number of ways, including by ensuring that any preferential treatment granted by the AIFM to one or more investors does not result in an overall material disadvantage to the other investors; by ensuring that its decision-making procedures are applied fairly as between investors; by applying relevant policies and procedures properly; by ensuring, to the extent within its power, that investors do not bear directly or indirectly fees, charges and expenses which are inappropriate in nature or amount; by complying with the rules and guidance of the GFSC (or equivalent) applicable to it and by conducting its activities honestly, fairly and with due skill, care and diligence.

The provisions of the AIFMD concerning professional indemnity insurance or additional own funds to cover professional negligence risk do not apply to the AIFM. Nevertheless, the AIFM has the benefit of professional indemnity and directors' and officers' liabilities insurance coverage.

The AIFM considers it unlikely that there will ever be anything to disclose pursuant to Articles 23(4) and 23(5) of the AIFMD. However, should any such periodic disclosures be required, they will be given in the appropriate manner and within the required timelines.

The Company and the AIFM have appointed Atrato Capital Limited (the "**Investment Adviser**") to provide certain services in relation to the Company and its portfolio, which include advising in relation to financing and asset management opportunities.

Atrato Capital Limited was incorporated on 20 December 2016 and is owned by Ben Green and Steve Windsor. Atrato Capital Limited is an appointed representative of Consortium Investment Management Limited which is authorised and regulated by the FCA.

Justin King, the former CEO of Sainsbury's, joined the Investment Adviser as Senior Adviser in March 2019. Justin King is recognised as one of the UK's most successful grocery sector leaders, having served as chief executive of Sainsbury's for 10 years until 2014. Prior to that, he was part of the leadership team at Marks & Spencer and previously held senior roles at Asda. He is currently non-executive director of Marks & Spencer and a member of the Public Interest Body of PWC and vice chairman of Terra Firma.

A summary of the Investment Advisory Agreement and details of the fees and expenses payable to the Investment Adviser are set out in paragraph 13.2 of Part 16 of this document.

The key individuals responsible for executing the Company's investment strategy are:

Ben Green, age 48

Ben has over 20 years' of experience structuring and executing real estate transactions. He has completed more than £3.5 billion of sale and leaseback transactions with occupiers including Barclays, the BBC and Tesco. Ben qualified as a lawyer in 1997 and began his career at Wilde Sapte and Linklaters LLP. He left law in 2000 and has since spent his banking career at Barclays, Lloyds and Goldman Sachs where he was Managing Director, European Head of Structured Finance. Ben studied jurisprudence at The Queen's College, Oxford.

Steve Windsor, age 45

Steve spent 16 years at Goldman Sachs specialising in 'Finance and Risk Management'. Steve became a partner at Goldman Sachs in 2008 and headed Goldman Sachs' European, Middle East and African Debt Capital Markets and Risk Management businesses from 2010 until 2016. Steve has helped and advised a number of FTSE 100 companies on how to finance their business and manage risk. Steve was a member of the Goldman Sachs Investment Banking Risk Committee from 2015 to 2016.

Steven Noble, age 40

Steven is a fellow of the Institute of Chartered Accountants in England and Wales and holds the Chartered Financial Analyst designation. He trained as a chartered accountant at KPMG, following which he spent nine years at Lloyds Banking Group in a variety of risk management and origination roles developing significant experience structuring a range of capital markets transactions, with a primary focus on commercial real estate.

The Investment Committee

The Investment Committee comprises Ben Green, Steven Windsor and Steven Noble. Ben Green chairs the Investment Committee.

AIFM Agreement

The Company and the AIFM have entered into the AIFM Agreement, further details of which are set out in paragraph 13.3 of Part 16 of this document, under which the AIFM provides the Company with portfolio management and risk management services and to be the Company's alternative investment fund manager.

Investment Advisory Agreement

The Company, the AIFM and the Investment Adviser have entered into the Investment Advisory Agreement, further details of which are set out in paragraph 13.2 of Part 16 of this document, under which the Investment Adviser provides certain services to the Company in relation to the Company's portfolio, including recommending investment opportunities to the Company in accordance with the Investment Objective, identifying and evaluating opportunities to improve the UK Property Portfolio, and due diligence in relation to proposed investments. The Investment Adviser will also provide information to the AIFM under the Investment Advisory Agreement to enable the AIFM to perform its regulatory role.

8 Senior Adviser

On 14 June 2017, the Company and the Investment Adviser appointed Morgan Williams as the Senior Adviser. Morgan Williams is one of the leading property consultants in the UK. It holds market leading positions in the retail and leisure sectors, with a particular emphasis on both the foodstore and out of town retail sectors. The partnership advises both landlords and tenants, from both an investment and occupational perspective.

Morgan Williams was founded in 1994, with a landlord client base including TH Real Estate, Orchard Street Investment Management, M&G Investment Management, British Land, Columbia Threadneedle, Standard Life and Legal & General.

The Directors consider Morgan Williams to be widely acknowledged as the market leader in the foodstore investment market, having advised on just under £10 billion of reported foodstore transactions in the last ten years. This figure does not include numerous other confidential transactions in the sector which the Senior Adviser has advised on.

Pursuant to the Senior Advisory Agreement, Morgan Williams acts as exclusive agent to the Company, finding opportunities, making introductions, providing input into the performance of the Company's assets and giving insight in markets trends. In certain circumstances, the Company may instruct an alternative buy-side agent to source investment opportunities.

Mark Morgan, the founder of the Senior Adviser, has agreed to provide certain services to the Investment Adviser, including making introductions to potential investors in the Company, and providing on-going advice in connection with the Company's execution of the Investment Policy.

9 Administrator and Company Secretary

JTC (UK) Limited is the Administrator and Company Secretary to the Group, pursuant to the Administration and Company Secretarial Agreement. As Administrator, JTC (UK) Limited is responsible for calculating the Net Asset Value of the Ordinary Shares in consultation with the AIFM and the Investment Adviser and reporting this to the Board.

As Company Secretary, JTC (UK) Limited will provide company secretarial services and a registered office to the Group.

10 Registrar

Link Asset Services is the Registrar and provides registrar services to the Company pursuant to the terms of the Registrar Agreement (further details of which are set out in paragraph 13.6 of Part 16 of this document). Under the Registrar Agreement the Registrar has responsibility for maintaining the register of Shareholders, receiving transfers of Ordinary Shares for certification and registration and receiving and registering Shareholders' dividend payments together with related services.

11 Fees and expenses

Gross Issue Proceeds expenses

The costs and expenses incurred by the Company in connection with the Gross Issue Proceeds raised will depend on the number of New Ordinary Shares and Placing Programme Shares issued. Such costs and expenses are anticipated to be approximately £4.2 million (assuming Gross Issue Proceeds of £204 million) and will be borne by the Company.

12 Market Abuse Regulation

On 3 July 2016, the EU Market Abuse Regulation (596/2014) came into force. From this date, the FCA introduced new rules to companies, among other things, including those admitted to the Specialist Fund Segment, to have effective systems and controls in place regarding dealing clearance procedures. The Company has adopted a share dealing code in compliance with the Market Abuse Regulation.

PART 13

REIT STATUS AND TAXATION

1 General

The statements below are intended to be a general summary of certain UK tax considerations relevant to prospective investors in Ordinary Shares. This is not a comprehensive summary of all aspects of the taxation of the REIT Group and Shareholders and is not intended to constitute legal or tax advice.

The statements below are based on current UK tax law and what is understood to be the current practice (which may not be binding) of HMRC as at the date of this document, both of which are subject to change, possibly with retrospective effect. Prospective investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will apply or will endure indefinitely. The tax consequences for each investor investing in the Company may depend on the investor's own tax position and upon relevant laws of any jurisdiction to which the investor is subject.

If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

2 UK Tax treatment of the REIT Group and the REIT regime

The REIT Group became a REIT with effect from 21 December 2017. Before this date, the Company and its subsidiaries were subject to UK corporation tax on their income, profits and gains in accordance with normal UK corporation tax principles (and without the benefit of the REIT exemption). On entry into the REIT regime, the assets of the REIT Group which were involved in the Property Rental Business were treated for UK tax purposes as sold and reacquired at market value (with any gain arising not being treated as a chargeable gain).

As a group UK REIT, with effect from 21 December 2017 the REIT Group is not charged UK corporation tax on its profits and gains derived from its UK Property Rental Business provided that certain conditions are satisfied. Instead, distributions by the principal company of the REIT (being the Company in this case) in respect of the UK Property Rental Business of the REIT are treated for UK tax purposes as UK property income in its shareholders' hands so far as the distribution is a distribution of profits which have benefitted from the REIT exemption from UK tax. Such a distribution paid by the Company is referred to in this section as a Property Income Distribution ("**PID**").

Any company which is a member of the REIT Group will be subject to UK tax in respect of profits and gains from business other than UK Property Rental Business (the "**Residual Business**"), where the UK has primary taxing rights over such profits. Such UK tax could be UK income tax charged at the basic rate of 20 per cent. or UK corporation tax charged at 19 per cent. (reducing to 17 per cent. from April 2020). Dividends by the Company relating to the Residual Business of the REIT Group are treated as normal dividends in the hands of the Shareholders. Any such dividend is referred to in this section as a Non-Property Income Distribution ("**Non-PID Dividend**").

Whilst the REIT regime applies to the REIT Group, the UK Property Rental Business will be treated for corporation tax purposes as a separate business from the Residual Business and a loss incurred by one business cannot be set off against profits of the other.

3 Qualification as a REIT

In order to continue to qualify as a REIT, the Company and other members of the REIT Group must continue to satisfy certain conditions set out in Part 12 CTA 2010. A breach of certain conditions could lead to a tax charge in the Company rather than termination of the REIT Group's REIT status. A non-exhaustive summary of the material conditions is set out below.

3.1 *Company conditions*

There are several conditions that the Company, as the principal company of the REIT Group, must satisfy in order for the REIT Group to maintain its REIT status. These are summarised below.

The Company must be a solely UK tax resident company whose ordinary share capital must be admitted to trading on a recognised stock exchange (which includes the Specialist Fund Segment) throughout each accounting period. In addition, in respect of each accounting period, the Company's ordinary share capital must either be listed on a recognised stock exchange throughout the period, or traded on a recognised stock exchange during the period. This additional condition is relaxed in the Company's first three accounting periods within the REIT regime.

The Company must not be an open-ended investment company.

The Company must not be a close company as defined by section 439 CTA 2010 and as applied by section 528(5) CTA 2010, other than by virtue of having a participator who is an institutional investor. Broadly, the close company condition requires that the Company is not under the control of five or fewer participators or of participators who are directors (participators for these purposes is defined by section 454 CTA 2010). An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a limited partnership which is a collective investment scheme, a registered social landlord, an open-ended investment company, a person with sovereign immunity, a UK REIT or the non-UK equivalent of a UK REIT. The close company condition is relaxed for the first three years following entry into the REIT regime.

3.2 *Share capital restrictions*

The Company must have only one class of ordinary shares in issue and the only other shares it may issue are particular types of non-voting restricted preference shares.

3.3 *Borrowing restrictions*

The Company must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets. A loan is not treated as carrying results-dependent interest by reason only that the terms of the loan provide for interest to reduce if the results improve or to increase if the results deteriorate. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

3.4 *Financial statements*

The Company must prepare financial statements in accordance with the statutory requirements set out in sections 532 and 533 CTA 2010 (the "**Financial Statements**") and submit these to HMRC. In particular, the Financial Statements must contain information about the Property Rental Business and the Residual Business separately.

3.5 *Conditions for the Property Rental Business*

A Property Rental Business must be carried on throughout each accounting period and satisfy the conditions summarised below in respect of each accounting period during which the REIT Group is to be treated as a REIT. Owner-occupied property (as interpreted by generally accepted accounting practice) is excluded from the tax exempt Property Rental Business.

The Property Rental Business must, throughout the accounting period, involve at least three properties.

Throughout the accounting period, no one property may represent more than 40 per cent. of the total value of all properties involved in the Property Rental Business. Assets must be valued in accordance with IFRS and at fair value when IFRS offers a choice between fair value and a costs basis.

The income profits arising from the Property Rental Business must represent at least 75 per cent. of the REIT Group's total income profits for the accounting period (the **"75 Per Cent Profits Condition"**). Profits for this purpose means profits calculated in accordance with international accounting standards but excluding, broadly, gains and losses on the disposal of property and gains and losses on the revaluation of properties, and certain exceptional items.

At the beginning of the accounting period the value of the assets in the Property Rental Business must represent at least 75 per cent. of the total value of assets of the REIT Group (the **"75 Per Cent Assets Condition"**). Cash held on deposit and gilts are included in the value of the assets relating to the Property Rental Business for the purpose of meeting this condition. Non-cash assets must be valued in accordance with IFRS and at fair value where IFRS offers a choice of valuation between fair value and a costs basis. In applying the test, no account is to be taken of liabilities secured against or otherwise relating to assets.

3.6 *Distribution condition*

The Company must (to the extent permitted by law) distribute to Shareholders, on or before the filing date for the Company's tax return for the accounting period in question, at least 90 per cent. of the income profits (calculated, broadly, using UK tax rules) of the REIT Group to the extent they are derived from the UK Property Rental Business of the REIT Group. This requirement is referred to as the **"90 Per Cent Distribution Condition"**. Failure to meet the 90 Per Cent Distribution Condition will result in a tax charge calculated by reference to the extent of the failure, although in certain circumstance where the failure to meet this condition is due to an increase in profits from the amounts originally shown in the Financial Statements, this charge can be mitigated by an additional dividend paid within a specified period which brings the profits distributed up to the required level. For the purpose of satisfying the 90 Per Cent Distribution Condition, any dividend withheld in order to comply with the 10 Per Cent Rule described below will be treated as having been paid.

4 **Investment in other REITs**

In general, a distribution received by a UK REIT from another REIT is (so far as the distribution is a distribution of profits which have benefitted from the REIT exemption in the distributing REIT) treated as tax exempt profits of the UK Property Rental Business of the investing REIT. The investing REIT must distribute 100 per cent. of such distributions to its shareholders (the **"100 Per Cent Distribution Condition"**). For the purposes of the 75 Per Cent Assets Condition, the investment by a REIT in the shares of another REIT is included as an asset of the investing REIT's Property Rental Business.

5 **Other consequences of the REIT regime**

5.1 *Holders of excessive rights*

A REIT will become subject to an additional tax charge if it pays a dividend to, or in respect of, a holder of excessive rights (the **"10 Per Cent Rule"**). A holder of excessive rights is broadly, any shareholder with a 10 per cent. or greater holding which is a body corporate (or is deemed to be a body corporate in accordance with the law in an overseas jurisdiction with which the UK has a double taxation agreement or in accordance with that double taxation agreement).

The additional tax charge will be calculated by reference to the whole dividend paid to a holder of excessive rights, and not just by reference to the proportion which exceeds the 10 per cent. threshold. The tax charge will not be incurred if the REIT has taken reasonable steps to avoid paying dividends to such a shareholder. HMRC guidance describes certain actions that a REIT may take to demonstrate that it has taken "reasonable steps". One of these actions is to include restrictive provisions in the articles of association of the principal company of the REIT to address this condition. Such provisions are included in the Articles.

5.2 *Interest cover*

If the ratio of the REIT Group's income profits (before capital allowances) in respect of its UK Property Rental Business to the financing costs incurred in respect of the Property Rental Business is less than 1.25:1 for an accounting period then a tax charge will arise.

The ratio is based on the cost of debt finance taking into account interest, amortisation of discounts or premiums and the financing expense implicit in payments made under finance leases. The amount chargeable to corporation tax is capped at a maximum of 20 per cent. of the profits of the UK Property Rental Business for the accounting period in question.

5.3 *Certain tax avoidance arrangements*

If HMRC believes that a member of a REIT has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Property Rental Business.

5.4 *Movement of assets in and out of the UK Property Rental Business*

Where an asset owned by a REIT and used for the UK Property Rental Business begins to be used for the Residual Business, there is a tax-free step up in the base cost of the property. Where an asset used for the Residual Business begins to be used for the UK Property Rental Business, this will generally constitute a taxable market value disposal of the asset, except for capital allowances purposes. Special rules apply to disposals by way of a trade and of development property.

5.5 *Joint ventures*

If a REIT is beneficially entitled to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding up, that joint venture company is carrying on a qualifying property rental business which satisfies the 75 Per Cent Profits Condition and the 75 Per Cent Assets Condition. If certain other conditions are satisfied, the REIT may, by giving notice to HMRC, elect for the relevant proportion of the assets and income of the qualifying joint venture company to be included in the Property Rental Business for tax purposes. In such circumstances, the income and assets of the qualifying joint venture company will generally count towards the 90 Per Cent Distribution Condition, the 75 Per Cent Profits Condition and the 75 Per Cent Assets Condition. These rules also apply to joint venture groups.

5.6 *Acquisitions and takeovers*

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided certain conditions are met, continue to enjoy tax exemptions in respect of the profits of its UK Property Rental Business and chargeable gains on disposals of properties in the UK Property Rental Business.

The position is different where a REIT is taken over by a purchaser which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT and will therefore be treated as leaving the REIT regime at the end of its accounting period preceding the takeover (and so ceasing from the end of this accounting period to benefit from tax exemptions on the profits of its UK Property Rental Business and chargeable gains on disposal of property forming part of its UK Property Rental Business). In these circumstances the properties in the UK Property Rental Business are treated as having been sold and reacquired at market value for the purposes of UK corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax-free as they are deemed to have been made at a time when the acquired REIT was still in the REIT regime and future chargeable gains on the relevant assets will, therefore, be calculated by reference to a base cost equivalent to this market value. If the acquired REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be re-characterised retrospectively as normal dividends.

6 **Exit from the REIT regime**

The Company can give notice to HMRC at any time that it wants the REIT Group to leave the REIT regime.

If the Company voluntarily leaves the REIT regime within ten years of joining and disposes of any asset that was used in the UK Property Rental Business within two years of leaving the REIT regime then any uplift in base cost of any property held by the REIT Group as a result

of the deemed disposal on entry into the REIT regime, movement into the corporation tax ring fence around the UK Property Rental Business or exit from the REIT regime would be disregarded in calculating the gain or loss on the disposal.

It cannot be guaranteed that the REIT Group will be in continuing compliance with the REIT conditions at all times. HMRC may require the REIT Group to exit the REIT regime if:

- it regards a breach of the conditions relating to the REIT regime (including in relation to the Property Rental Business), or an attempt to obtain a tax advantage, as sufficiently serious;
- the REIT Group or the Company has committed a certain number of breaches in a specified period; or
- HMRC has given members of the REIT Group two or more notices in relation to the obtaining of a tax advantage within a ten-year period.

REIT status is also lost automatically and HMRC must be informed as soon as reasonably practicable if:

- the conditions for REIT status relating to the share capital of the Company and the prohibition on entering into loans with abnormal returns are breached;
- the Company ceases to be UK resident for tax purposes;
- the Company becomes dual-resident;
- the Company becomes an open-ended investment company; or
- in certain circumstances, the Company ceases to fulfil the close companies condition.

Where the REIT Group automatically loses REIT status or is required by HMRC to leave the REIT regime within 10 years of joining, HMRC has wide powers to direct how the REIT Group should be taxed, including in relation to the date on which the REIT Group is treated as exiting the REIT regime.

It should be noted that it is possible for the REIT Group to lose its REIT status as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a REIT) or in other circumstances outside the Company's control (such as a change in law).

7 The UK tax treatment of UK tax resident Shareholders

The following statements do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares.

They relate only to Shareholders who are resident and domiciled for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment (other than under an individual savings account, except insofar as express reference is made to the contrary) and who are the absolute beneficial owners of both the Ordinary Shares and any PID or Non-PID dividends paid on them.

The tax position of certain categories of Shareholder who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Ordinary Shares in connection with an office or their (or another person's) employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the REIT Group, persons holding Ordinary Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or resident in the UK, collective investment schemes and those who hold ten per cent. or more of the Ordinary Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC-approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme, or any person able to claim any inheritance tax relief or holding Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate Shareholder, a permanent establishment or otherwise).

The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject.

7.1 Dividends

When a REIT pays a dividend (including a stock dividend), that dividend will be a PID to the extent necessary to satisfy the 90 Per Cent Distribution Condition or the 100 Per Cent Distribution Condition. If the dividend exceeds the amount required to satisfy that condition, the REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business.

Any remaining balance of the dividend (or other distribution) will be a PID to the extent it is paid out of any remaining income profits of the UK Property Rental Business or gains which are exempt from tax by virtue of the REIT regime. Any further remaining balance will be a Non-PID Dividend.

7.2 Non-PID Dividends

Non-PID Dividends are treated in the same way as dividends received from UK companies that are not REITs. The Company is not required to withhold tax when paying a Non-PID Dividend.

7.2.1 Shareholders who are individuals

An individual shareholder who is tax resident in the UK and who receives a Non-PID Dividend from the Company is entitled to an annual tax-free allowance of dividend income. This allowance is £2,000 of dividend income for the 2019/2020 tax year and subsequent tax years.

To the extent that an individual shareholder's total dividend income exceeds the tax-free allowance, tax will be imposed at the rates of 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

7.2.2 Shareholders who are within the charge to corporation tax

A Shareholder who is charged UK corporation tax and which is a "small company" for the purposes of UK taxation of dividends will generally not be subject to tax on Non-PID Dividends provided certain conditions are satisfied.

A Shareholder within the charge to UK corporation tax and which is not treated as a "small company" for the purposes of UK taxation of dividends will similarly not be subject to tax on Non-PID Dividends provided that the dividends fall within an exempt class and do not fall within certain anti-avoidance provisions. Exempt classes include dividends in respect of portfolio holdings (where the recipient owns less than 10 per cent. of the share capital of the payer) and dividends paid on "non-redeemable ordinary shares" for UK tax purposes.

7.3 PIDs

7.3.1 Shareholders who are individuals

A PID will generally be treated in the hands of individuals as the profit of a single UK property business (as defined in Part 3 of the Income Tax (Trading and Other Income) Act 2005), subject to certain exceptions. A PID is, together with any PID from any other UK REIT, treated as a separate UK property business carried on by the relevant Shareholder. This means that any surplus expenses from any other property business of a Shareholder cannot be offset against a PID.

A Shareholder who is subject to income tax at the basic rate will be liable to pay income tax at a rate of 20 per cent., higher rate taxpayers will be liable to pay income tax at a rate of 40 per cent. and additional rate taxpayers will be liable to pay income tax at 45 per cent.

The £1,000 property income allowance introduced by Finance (No. 2) Act 2017 (and inserted at Part 6A of the Income Tax (Trading and Other Income) Act 2005) does not apply to PIDs.

Please also see paragraph 7.4 (withholding tax) below.

7.3.2 Shareholders who are within the charge to corporation tax

A PID will generally be treated in the hands of its Shareholders who are within the charge to UK corporation tax as the profit of a property business (as defined in Part 4 Corporation Tax 2009). A PID is, together with any PID from another UK REIT, treated as a separate property business carried on by the relevant Shareholder and must be accounted for separately. This means that any surplus expenses from any other property business of a Shareholder cannot be offset against a PID.

Please also see paragraph 7.4 (withholding tax) below.

7.3.3 Shareholders who are not resident for tax purposes in the UK

Where a Shareholder who is resident for tax purposes outside of the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding tax. Under section 548(7) CTA 2010, this income is expressly not non-resident landlord income for the purposes of regulation under section 971 Income Tax Act 2007.

From April 2020, non-UK resident companies which receive a PID will be brought within the charge to corporation tax on the gross PID at the 17 per cent. rate applying from that date. Tax withheld can be set against the liability to corporation tax.

Please also see paragraph 7.4 (withholding tax) below.

7.4 Withholding tax

7.4.1 General

Subject to certain exceptions summarised below, the Company is required to withhold income tax at the basic rate from its PIDs. The Company provides Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

7.4.2 Shareholders solely resident in the UK

Where UK income tax has been withheld at source, individual Shareholders may, depending on their circumstances, either be liable to further tax on the PID at the applicable marginal rate or be entitled to claim repayment of some or all of the tax withheld on the PID.

Corporate Shareholders may, depending on their circumstances, be liable to pay UK corporation tax on their PID. However, it should be noted that where (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax, or income tax which they are required to withhold, in the accounting period in which the PID is received.

7.4.3 Shareholders who are not resident for tax purposes in the UK

It is not possible for a Shareholder to make a claim under a relevant double taxation treaty with the UK for a PID to be paid by the Company gross or subject to withholding at a reduced rate. However, the Shareholder may be able to claim repayment of any part of the tax withheld from a PID, depending on the existence and terms of any such double taxation treaty between the UK and the country in which the Shareholder is resident for tax purposes.

7.4.4 Exceptions to requirement to withhold income tax

In certain circumstances, the Company is not required to withhold income tax at source from a PID. These circumstances include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, or the sub-scheme administrator of certain sub-schemes or the account manager of an ISA, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme or account.

The Company will also not be required to withhold income tax at source from a PID where the Company reasonably believes that the body beneficially entitled to the PID is a partnership each member of which is a body described in the paragraph above.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to receive the PID gross before paying any PID to such Shareholder. For that purpose, the Company will require such Shareholders to submit a valid claim form. Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

7.5 *Disposal of Ordinary Shares*

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to UK capital gains tax in respect of any gain arising on the disposal of their Ordinary Shares. Subject to the availability of any exemptions, relief and/or allowable losses, a gain on the disposal of Ordinary Shares will be liable to tax at the current rates of 10 per cent. for basic rate tax payers and 20 per cent. for higher and additional rate tax payers. Shareholders who are temporarily non-resident in the UK may still be liable to UK tax on any capital gains realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax (currently at 19 per cent. but reducing to 17 per cent. from April 2020) on chargeable gains arising on a disposal of Ordinary Shares, subject to the availability of any exemptions, reliefs and/or allowable losses.

Capital losses realised on a disposal of Ordinary Shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any losses remaining can be carried forward without time limit and set off against net chargeable gains (i.e. after deducting the annual exemption) in the earliest later tax year. Capital losses generally cannot be carried back.

With effect from April 2019, non-UK residents are now chargeable to UK tax on capital gains made on the disposal of all types of UK real property (both directly and indirectly). The new rules apply to the sale of shares in 'property rich' entities (i.e. those where 75 per cent. or more of the gross asset value derives from UK land).

Accordingly, a disposal of Ordinary Shares by a non-UK resident will generally be within the scope of UK tax, subject to any available exemptions and reliefs (including any relief under an applicable double tax treaty). The exclusion which can apply to disposals of shares in UK property-rich vehicles by non-UK residents who hold less than a 25 per cent. interest does not apply to UK-property rich REITs and so is not expected to apply to disposals of Ordinary Shares.

7.6 *Transfer of assets abroad*

The attention of individual Shareholders is drawn to the provisions contained in Chapter 2, Part 13 Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK. These provisions may apply where a UK resident person makes a relevant transfer to a non-resident person and, as a result, income from which the individual may benefit becomes payable to that non-resident person.

There are, however, provisions which provide exemption from a charge to income tax in the above circumstances provided that the individual satisfies the board of HMRC that either: (i) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or (ii) all the relevant transactions were genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of those transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

7.7 Stamp duty and stamp duty reserve tax (“SDRT”)

The comments in this paragraph 7.7 apply regardless of whether Shareholders are UK tax resident

No UK stamp duty or SDRT will be payable on the issue of Ordinary Shares.

Transfers of Ordinary Shares will generally be subject to UK stamp duty or SDRT at the rate of 0.5 per cent. of the consideration for the transfer (the duty payable being rounded up in the case of stamp duty to the nearest £5.00), subject to certain exemptions and reliefs. A charge to SDRT at the rate of 0.5 per cent. will usually arise in relation to an unconditional agreement to transfer Ordinary Shares (where the SDRT charge is not cancelled by the execution of an instrument of transfer within six years of the date of the agreement and a corresponding payment of UK stamp duty is made).

A market value charge to UK stamp duty applies to transfers of listed securities by a person (or its nominee) to a connected company (or its nominee), subject to the availability of relief. A market value charge to SDRT applies to unconditional agreements to transfer listed securities in the same circumstances unless the SDRT charge is cancelled, as outlined above. Ordinary Shares will be listed securities for these purposes if they are admitted to trading on the Main Market of the London Stock Exchange.

7.8 ISAs, SSASs and SIPPs

Generally, Ordinary Shares acquired by a UK resident individual under a public offer (including the Offer for Subscription) or in the secondary market (but not as part of either the Placing or a placing under the Placing Programme) should be eligible to be held in an Individual Savings Account (“ISA”), subject to applicable annual subscription limits. Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility.

Subject to the rules of the trustees of the relevant scheme, the Ordinary Shares should generally be eligible for inclusion in a small self-administered scheme (“SSAS”) or self-invested personal pension (“SIPP”) provided: (a) no member of the SSAS or SIPP (or person connected with such a member) occupies or uses any residential property held by the REIT Group; and (b) the SSAS or SIPP, alone or together with one or more associated persons, does not directly or indirectly hold 10 per cent. or more of any of the Ordinary Shares, voting rights in the Company, rights to income of the Company, rights to amounts on a distribution of the Company or rights to assets on a winding up of the Company.

PART 14

CAPITALISATION AND INDEBTEDNESS

The tables below set out the capitalisation and indebtedness of the REIT Group as at 30 June 2019 (sourced from its audited financial statements):

	Unaudited £000
Total current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
	—
Total non-current debt (excluding current portion of long term debt)	
Guaranteed	—
Secured	143,708
Unguaranteed/unsecured	—
	143,708
Total indebtedness	143,708
Shareholders' equity	
Share capital	2,398
Share premium reserve	203,672
Capital reduction reserve	14,391
Cash flow hedge reserve	(1,203)
Total capitalisation	219,258

The table below sets out the net financial indebtedness of the REIT Group as at 30 June 2019:

	Unaudited £000
Cash	9,898
Cash equivalent	—
Trading securities	—
Liquidity	9,898
Current financial receivables	
Current bank debt	—
Current portion of non current debt	—
Other current financial debt	—
Current financial debt	—
Net current financial indebtedness	9,898
Non current bank loans	(143,708)
Bonds issued	—
Other non current loans	—
Non current financial indebtedness	(143,708)
Net financial indebtedness	(133,810)

Notes to the capitalisation and net indebtedness statement

The Shareholders' equity, which relates solely to the Company, is extracted without material adjustment from the 2019 Annual Report and Accounts. Capitalisation does not include the profit and loss reserve in accordance with the ESMA update of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004.

PART 15

HISTORIAL FINANCIAL INFORMATION AND OPERATING AND FINANCIAL REVIEW

1 Historical financial information

1.1 *Incorporation by reference*

The following historical information is incorporated by reference into this document:

1.1.1 the Company's annual report and accounts from the date of incorporation to 30 June 2018 (the "**2018 Annual Report and Accounts**"); and

1.1.2 the Company's annual report and accounts for the financial year ended 30 June 2019 (the "**2019 Annual Report and Accounts**").

Copies of the 2018 Annual Report and Accounts and the 2019 Annual Report and Accounts have been filed with the FCA and may be obtained from the Company's website (www.supermarketincomereit.com) or free of charge, during normal business hours, at the Company's registered office.

1.2 *Cross-reference list*

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference in this document. Where only parts of a document have been incorporated by reference, those parts of the document which are not incorporated by reference are not relevant for an investor or, if they are, have been covered elsewhere in this document.

2018 Annual Report and Accounts

Information incorporated by reference	Page references
Chairman's Statement	2-3
Our Portfolio	5-6
Investment Adviser's Report	9-13
Our Principal Risks	18-21
Board of Directors	22
Audit Committee Report	28-31
Directors' Report	32-34
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Chairman's Statement	4-6
Our Portfolio	7-10
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2 Operating and Financial Review

The following operating and financial review should be read in conjunction with the historical financial information incorporated by reference in paragraph 1 of this Part 15 of this document and the other financial information relating to the REIT Group included elsewhere in this document. This review contains forward-looking statements based on the current expectations and assumptions about the REIT Group's future business. Forward-looking statements are not guarantees of future performance and no assurance can be or is given that such future results will be achieved. The REIT Group's actual results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward looking statements contained in this document. In addition, even if the results of operations, financial condition and dividend policy of the REIT Group, and the development of its financing strategies, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

2.1 *Operating and financial review for the financial period ended 30 June 2018*

Please refer to the Chairman's statement from pages 2 to 3 of the 2018 Annual Report and Accounts and the Investment Adviser's Report from pages 9 to 13 of the 2018 Annual Report and Accounts.

2.2 *Operating and financial review for the financial year ended 30 June 2019*

Please refer to the Chairman's statement from pages 4 to 6 of the 2019 Annual Report and Accounts and the Investment Adviser's Report from pages 14 to 19 of the 2019 Annual Report and Accounts.

2.3 *Other announcements incorporated by reference*

Information incorporated by reference	RNS announcement date
Declaration of interim dividend of 1.419 pence per Ordinary Share for the period from 1 April 2019 to 30 June 2019	8 July 2019
Acquisition of a Sainsbury's supermarket and new loan facility	27 August 2019
PDMR Shareholding replacement	11 September 2018
PDMR Shareholding	27 September 2018
Director/PDMR Shareholding	2 October 2018
Director/PDMR Shareholding	31 December 2018
Director/PDMR Shareholding	31 December 2018
Director/PDMR Shareholding	15 February 2019

PART 16

ADDITIONAL INFORMATION

1 Responsibility

The Directors, whose names are set out in Part 5 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information, or which would make any statement contained herein misleading.

2 Incorporation, general, the AIFM and the Investment Adviser

- 2.1 The Company is a public company limited by shares and was incorporated in England and Wales on 1 June 2017 with the name Project Murri plc and registration number 10799126. The Company's name was changed to Supermarket Income REIT plc on 2 June 2017. The Company has an indefinite life.
- 2.2 The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder. The Ordinary Shares have been duly authorised according to the requirements of the Company's constitution and have all necessary statutory and other consents. The liability of the members is limited. The Company will not be regulated as a collective investment scheme by the FCA. With effect from the IPO, the Ordinary Shares were admitted to trading on the SFS. The Company is subject to the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the Rules of the London Stock Exchange.
- 2.3 The Company's registered office and principal place of business is at 7th Floor, 9 Berkeley Street, London W1J 8DW (telephone number: +44 (0) 20 7409 0181).
- 2.4 The auditors of the Company, from the date of its incorporation to the date of this document, have been BDO LLP. BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales.
- 2.5 As at 11 September 2019 (being the latest practicable date prior to publication of this document), the Company had no employees. Details of the Company's interests in real property are contained in Part 10 of this document.
- 2.6 The Company has incorporated the following, wholly-owned subsidiaries, which, together with the Company, comprise the REIT Group:
 - 2.6.1 Supermarket Income Investments UK Limited;
 - 2.6.2 Supermarket Income Investments (Midco 2) UK Limited;
 - 2.6.3 Supermarket Income Investments (Midco 3) UK Limited;
 - 2.6.4 Supermarket Income Investments (Midco 4) UK Limited;
 - 2.6.5 Supermarket Income Investments UK (No1) Limited;
 - 2.6.6 Supermarket Income Investments UK (No2) Limited;
 - 2.6.7 Supermarket Income Investments UK (No3) Limited;
 - 2.6.8 Supermarket Income Investments UK (No4) Limited;
 - 2.6.9 Supermarket Income Investments UK (No5) Limited;
 - 2.6.10 Supermarket Income Investments UK (No6) Limited;
 - 2.6.11 Supermarket Income Investments UK (No7) Limited; and
 - 2.6.12 Supermarket Income Investments UK (No8) Limited.
- 2.7 The LEI of the Company is 2138007FOINJKAM7L537.

3 Share capital

- 3.1 On incorporation, one Ordinary Share was issued (fully paid) for the purposes of incorporation to the subscriber to the Company's memorandum of association, and 50,000 redeemable preference shares were issued to the Investment Adviser and were paid up as to one quarter of their nominal value. As part of the IPO, the redeemable preference shares issued to Atrato Capital Limited were redeemed.
- 3.2 Since the date of incorporation of the Company, the following changes have occurred to the Company's share capital:
- 3.2.1 on 21 July 2017 the Company issued 100,000,000 Ordinary Shares pursuant to the IPO;
- 3.2.2 on 15 November 2017 the Company issued a further 19,999,999 Ordinary Shares;
- 3.2.3 on 1 December 2017, when it was discovered that the single Ordinary Share issued to the Investment Adviser on the Company's incorporation was still in issue, the Company bought back and cancelled that single Ordinary Share;
- 3.2.4 on 25 May 2018 the Company issued a further 64,356,435 Ordinary Shares;
- 3.2.5 on 26 March 2019 the Company issued a further 44,554,455 Ordinary Shares; and
- 3.2.6 on 24 April 2019, the Company issued a further 10,922,330 Ordinary Shares.
- 3.3 The Company's issued and fully paid share capital as at 11 September 2019 (being the last practical day prior to publication of this document) was as follows:

		Issued and aggregate nominal value	
Class	Nominal value	Number	Amount (£)
Ordinary Shares	£0.01	239,833,219	2,398,332.19

- 3.4 The Company's issued and fully paid share capital immediately following Admission, and assuming 49,019,607 New Ordinary Shares are issued under the Initial Issue, is expected to be as follows:

		Issued and fully paid	
Class	Nominal value	Number	Amount (£)
Ordinary Shares	£0.01 each	288,852,826	2,888,528.26

3.5 Resolutions passed at the 2018 AGM

The Company's annual general meeting was held on 6 November 2018 at which resolutions (the "2018 AGM Resolutions") were passed such that, *inter alia*:

- 3.5.1 the Directors were generally and unconditionally authorised in accordance with Section 551 of the Companies Act, in addition to the authority to allot Ordinary Shares granted pursuant to the authority referred to in paragraph 2.5.1 above, to exercise all the powers of the Company to allot;
- 3.5.1.1 Ordinary Shares up to a maximum aggregate nominal amount of £614,459; and
- 3.5.1.2 Ordinary Shares up to an aggregate nominal amount of £614,459 in connection with an offer by way of a rights issue in favour of holders of Ordinary Shares in proportion (as nearly as may be practicable) to their

existing holdings of Ordinary Shares, but subject to such exclusions, limits, restrictions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or any legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange or any other matter,

such authority to expire on the earlier of the conclusion of the next annual general meeting of the Company and 6 February 2020;

3.5.2 the Directors were generally empowered (pursuant to Section 570 of the Companies Act) to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 3.5.1 above as if Section 561 of the Companies Act did not apply to any such allotment up to a nominal amount of £184,356, such authority to expire on the earlier of the conclusion of the next annual general meeting of the Company and 6 February 2020;

3.5.3 the Company was authorised in accordance with Section 701 of the Companies Act to make market purchases (within the meaning of Section 693(4) of the Companies Act) of Ordinary Shares provided that:

3.5.3.1 the maximum number of Ordinary Shares that may be acquired is 27,635,029;

3.5.3.2 the minimum price which may be paid for an Ordinary Share is £0.01;

3.5.3.3 the maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) five per cent. above the average of the mid-market value of the Ordinary Shares for the five Business Days before the purchase is made and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (in each case exclusive of all expenses); and

3.5.3.4 such authority will expire on the earlier of the conclusion of the next annual general meeting of the Company and 6 February 2020.

3.6 *Resolutions to be proposed at the General Meeting*

3.6.1 The Company currently does not have sufficient authority to allot the New Ordinary Shares under the Companies Act to effect the Initial Issue, or to allot further new Ordinary Shares pursuant to the Placing Programme. Accordingly, the Resolutions, as set out in the Notice of General Meeting in the Appendix to this document, are being proposed at the General Meeting, in addition to the 2018 AGM Resolutions, to grant the Directors authority to allot and issue Ordinary Shares up to a maximum aggregate nominal amount of £2 million on a non-pre-emptive basis.

3.6.2 In accordance with the authority referred to in paragraph 3.6.1 above, it is expected that the New Ordinary Shares to be issued pursuant to the Initial Issue will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission in accordance with the Companies Act.

3.7 Save as disclosed in this document:

- no share or loan capital of the Company has, within three years of the date of this document, been issued or agreed to be issued, or is now proposed to be issued (other than pursuant to the Initial Issue and the Placing Programme), fully or partly paid, either for cash or for a consideration other than cash, to any person;
- no person has preferential subscription rights for any share capital of any member of the Group;
- there has been no change in the amount of the issued share or loan capital of the Company within three years of the date of this document;
- no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of any such company; and

- no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 3.8 All of the New Ordinary Shares to be issued pursuant to the Initial Issue and the Placing Programme will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
- 3.9 On Admission, existing Shareholders who do not participate in the Initial Issue will suffer dilution of 17 per cent. of their interest in the Company, assuming the Company issues 49,019,607 New Ordinary Shares under the Initial Issue. Assuming the maximum number of new Ordinary Shares available under the Placing Programme are issued under the Issue (being 200 million New Ordinary Shares), Existing Shareholders will suffer a dilution of 45 per cent. to their existing percentage holdings.

4 **Mandatory bids**

The City Code on Takeovers and Mergers (the “**Takeover Code**”) applies to the Company. The Takeover Code is issued and administered by the Takeover Panel.

Under Rule 9 of the Takeover Code, (i) where a person acquires an interest in shares which (taken together with the shares in which he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of the Company or (ii) where a person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of the Company, but does not hold shares carrying more than 50 per cent. of the voting rights of the Company, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in the Company in which he is interested, then in either case that person, together with the persons acting in concert with him, is normally required (except with the consent of the Takeover Panel) to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the Company within the preceding 12 months, to the holders of any class of equity share capital of the Company, whether voting or not, and also to the holders of any other transferable securities carrying voting rights.

5 **Squeeze-out and sell-out rules**

Under the Companies Act, an offeror in respect of a takeover offer for the Company has the right to buy out minority shareholders where he has acquired (or unconditionally contracted to acquire) 90 per cent in value of the shares to which the offer relates and not less than 90 per cent. of the voting rights carried by those shares. The notice to acquire shares from minority shareholders must be sent within three months of the last day on which the offer can be accepted. The squeeze out of minority shareholders can be completed at the end of six weeks from the date the notice has been given.

In addition, where there has been a takeover offer for the Company, minority shareholders can require the offeror to purchase the remaining shares provided that any time before the end of the period within which the offer can be accepted, the offeror can be accepted, the offeror has acquired (or contracted to acquire) at least 90 per cent. in value of all voting shares in the Company, which carry not less than 90 per cent. of the voting rights. A minority shareholder can exercise this right at any time until three months after the period within which the offer can be accepted. An offeror shall give the remaining shareholders notice of their rights within one month from the end of the period in which the offer can be accepted.

6 **Summary of the Articles of Association**

The Company’s objects and purposes are unrestricted pursuant to s.31(1) of the Companies Act.

A summary of certain provisions of the Articles of Association is set out below and a copy is available for inspection at the address specified in paragraph 21 of this Part 16.

6.1 **Change of name**

The Company may change its name by a resolution of the Directors.

6.2 Voting rights attaching to Ordinary Shares

Shareholders will be entitled to vote at a general meeting or class meeting whether on a show of hands or a poll, as provided in the Companies Act. The Companies Act provides that:

- on a show of hands every member present in person has one vote and every proxy present who has been duly appointed by one or more members will have one vote, except that a proxy has one vote for and one vote against if the proxy has been duly appointed by more than one member and the proxy has been instructed by one or more members to vote for and by one or more other members to vote against. For this purpose the Articles of Association provide that, where a proxy is given discretion as to how to vote on a show of hands, this will be treated as an instruction by the relevant Shareholder to vote in the way that the proxy decides to exercise that discretion; and
- on a poll every member has one vote per share held by him and he may vote in person or by one or more proxies. Where he appoints more than one proxy, the proxies appointed by him taken together shall not have more extensive voting rights than he could exercise in person.

This is subject to any rights or restrictions which are given to any shares or on which shares are held.

If more than one joint Shareholder votes (including voting by proxy), the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share

6.3 Share rights and restrictions

Without prejudice to any special rights conferred on the holders of any existing shares or of any class of shares, any shares in the Company may be issued with or have attached to them such restrictions as the Company may from time to time determine by ordinary resolution or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Directors may determine. Such restrictions shall apply to the relevant shares as if the same were set out in the Articles of Association.

6.4 Voting restrictions

No member shall be entitled to vote at any general meeting or class meeting in respect of any share held by him if any call or other sum then payable by him in respect of that share remains unpaid and he has been served with a forfeiture notice (as defined in the Articles of Association) or if he has been served with a s. 793 notice (as defined in the Articles of Association) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act.

6.5 Dividends and distributions

The Company may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Directors. Subject to the Companies Act, the Directors may pay interim dividends, and also any fixed rate dividend, whenever the profits of the Company, in the opinion of the Directors, justifies its payment.

The Directors may withhold payment of all or any part of any dividends or other monies payable in respect of the Company's shares from a person with an interest in 0.25 per cent. of the issued shares of the relevant class if such a person has been served with a s. 793 notice (as defined in the Articles of Association) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the share during any portion of the period in respect of which the dividend is paid.

The Directors may, if authorised by an ordinary resolution of the Company, offer Shareholders (excluding any member holding shares as treasury shares) in respect of any dividend the right to elect to receive Ordinary Shares by way of scrip dividend instead of cash.

6.6 Variation of Share Rights

Subject to the Companies Act, rights attached to any class of shares may be varied with the written consent of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares. At every such separate general meeting (except an adjourned meeting) the quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class (calculated excluding any shares held as treasury shares).

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

6.7 Transfer of shares

The shares are in registered form. Any shares in the Company may be held in uncertificated form and, subject to the Articles of Association, title to uncertificated shares may be transferred by means of a relevant system. Provisions of the Articles of Association do not apply to any uncertificated shares to the extent that such provisions are inconsistent with the holding of shares in uncertificated form or with the transfer of shares by means of a relevant system.

Any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Directors may approve. The instrument of transfer must be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee.

The transferor of a share is deemed to remain the holder until the transferee's name is entered in the register.

The Directors can decline to register any transfer of any share which is not a fully paid share. The Directors may also decline to register a transfer of a certificated share unless the instrument of transfer:

- is duly stamped or certified or otherwise shown to the satisfaction of the Directors to be exempt from stamp duty and is accompanied by the relevant share certificate and such other evidence of the right to transfer as the Directors may reasonably require;
- is in respect of only one class of share; and
- if to joint transferees, is in favour of not more than four such transferees.

Registration of a transfer of an uncertificated share may be refused in the circumstances set out in the CREST Rules or where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

The Directors may decline to register a transfer of any of the Company's certificated shares by a person if such a person has been served with a s. 793 notice (as defined in the Articles of Association) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act.

If it comes to the notice of the Directors that any shares are owned directly, indirectly, or beneficially by a Non-Qualified Holder, the Directors may give notice to such person requiring him either to:

- provide the Directors within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Directors that such person is not a Non-Qualified Holder; or
- sell or transfer his shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Directors with satisfactory evidence of such sale or transfer.

If any person upon whom such a notice is served pursuant to the Articles of Association does not within 30 days after such notice either:

- sell or transfer his shares to a person who is not a Non-Qualified Holder and establish to the satisfaction of the Directors (whose judgment shall be final and binding) that such a sale or transfer has occurred; or
- establish to the satisfaction of the Directors (whose judgment shall be final and binding) that he is not a Non-Qualified Holder;

then:

- such person shall be deemed upon the expiration of such 30 days to have forfeited his shares and the Directors shall be empowered at their discretion to follow the forfeiture procedure as laid down in the Articles of Association; or
- if the Directors in their absolute discretion so determine, to the extent permitted under the Rules, the Directors may arrange for the Company to sell the shares at the best price reasonably obtainable to any other person so that the shares will cease to be held by a Non-Qualified Holder, in which event the Company may, to the extent permitted under the Rules, take any action that the Directors consider necessary in order to effect the transfer of such shares by the holder of such share and the Company shall pay the net proceeds of sale to the former holder upon its receipt of the sale proceeds and the surrender by him of the relevant share certificate.

6.8 Forfeiture of Shares and Liens

Forfeiture of Shares

If any member fails to pay in full any call or instalment of a call on the day appointed for payment, the Directors may, after that day, while any part of the call or instalment remains unpaid, give notice to him requiring him to pay so much of the call or instalment as is unpaid, together with interest accrued and any expenses incurred by reason thereof.

The notice shall specify a further day (not being earlier than 14 clear days from the date of the notice) on or before which such unpaid call or instalment and all interest accrued and expenses incurred by reason of non-payment are to be paid, and the place where payment is to be made. The notice shall state that, in the event of non-payment at or before such time at the place specified, the shares in respect of which such call or instalment is payable will be liable to forfeiture.

If the requirements of any such notice are not complied with, any shares in respect of which such notice has been given may be forfeited by a resolution of the Directors.

The Directors may accept surrender of any share liable to be forfeited.

If the Directors have served a notice upon a Non-Qualified Holder pursuant to the Articles of Association and such holder has not sold or transferred his shares to a person qualified to own the same within the required period, such shares shall be deemed forfeited.

When any share has been forfeited, notice of the forfeiture shall be given to the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such notice.

Subject to statute, any share forfeited or surrendered shall be deemed to be the property of the Company, no voting rights shall be exercised in respect of it and the Directors may cancel the same or, within three years of such forfeiture or surrender, sell, re-allot or otherwise dispose of the same in such manner as they think fit.

The Directors may annul the forfeiture of a share at any time before the forfeited share has been cancelled or sold, re-allotted or otherwise disposed of, on the terms that payment shall be made of all calls and interest due on it and all expenses incurred in respect of the share and on such further terms (if any) as the Directors see fit.

Any share not disposed of in accordance with the Articles of Association within a period of three years from the date of its forfeiture or surrender shall be automatically cancelled.

Any person whose shares have been forfeited or surrendered shall cease to be a Member in respect of those shares and shall surrender to the Company for cancellation the certificate for the forfeited shares, but shall remain liable to pay to the Company all moneys which at the

date of the forfeiture or surrender were presently payable by him to the Company in respect of the shares, together with interest on such moneys.

Liens

The Company shall have a lien upon all the shares, other than fully paid shares, registered in the name of each member for any amount payable in respect of such shares, whether presently payable or not, and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such shares.

Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.

For the purpose of enforcing such lien, the Directors may, subject (in the case of uncertificated shares) to the provisions of the uncertificated securities rules, sell the shares subject to such lien, in such manner as they think fit, but no such sale shall be made until all or any part of the sum outstanding on the shares shall have become payable and until notice in writing stating, and demanding payment of, the sum payable and giving notice of the intention to sell in default of such payment shall have been given to such member and default shall have been made by him in the payment of the sum payable for 14 clear days after such notice.

6.9 Changes in share capital

Subject to statute and to any rights conferred on the holders of any existing shares or of any class of shares, any shares may be issued on terms that they are to be redeemed, or may be redeemed at the option of the Company or the shareholder, on such terms and conditions and in such manner as the Directors may determine.

Notwithstanding anything contained in the Articles of Association, but subject to any rights specifically conferred on the holders of any class of shares, the rights attached to any class of shares shall be deemed not to be varied or abrogated by anything done by the Company pursuant to the Articles of Association.

The Company has the power to offer, allot, issue, grant options over or otherwise deal with shares in the capital of the Company and to grant rights to subscribe for, or to convert any security into, shares in the capital of the Company to such persons, at such times and upon such terms as the Directors may decide.

If on any consolidation (or any consolidation and sub-division, or sub-division) of shares any Shareholders would become entitled to any fractions of a share, the Directors may deal with the fractions in any manner they think fit.

6.10 Unclaimed dividends

In the event that a holder does not specify an address, or does not specify an account of a type prescribed by the Directors, or other details necessary in order to make a payment of a dividend or other distribution by the means by which the Directors have decided that a payment is to be made, or by which the holder has validly elected to receive payment, and such address or details are necessary in order for the Company to make the relevant payment in accordance with such decision, or if payment cannot be made by the Company using the details provided by the holder, then the dividend or other distribution shall be treated as unclaimed.

The Company may cease to send any cheque or similar financial instrument (or to use any other method of payment including payment by means of a relevant system) for any dividend payable in respect of a share if, in respect of at least two consecutive dividends payable on that share, the cheque or similar financial instrument has been returned undelivered or remains uncashed (or that other method of payment has failed), or after only one occasion if reasonable enquiries by the Company have failed to establish any new address of the registered holder, but, subject to the provisions of these Articles of Association, shall recommence sending cheques or similar financial instruments (or using another method of payment) for dividends payable on that share if the person entitled so requests.

All dividends or other moneys payable on or in respect of a share which remain unclaimed may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Payment by the Directors of any unclaimed dividend or other moneys payable on

or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it and the Company will not be liable to pay interest on it. Any dividend unclaimed after a period of 12 years from the date of declaration of such dividend, or from the date such dividend becomes due for payment, shall be forfeited and shall revert to the Company unless the Directors decide otherwise.

6.11 Untraced Shareholders

Subject to statute, the Company may sell at the best price reasonably obtainable at the time of sale any share of a Shareholder or any share to which a person is entitled by transmission if:

- during a period of 12 years prior to the publication by the Company of newspaper advertisements (as referred to in the third bullet, below), at least three cash dividends have become payable in respect of the share to be sold and have been sent by the Company;
- during that period of 12 years no cash dividend payable in respect of the share has been claimed, or other payment for a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and, as far as any director of the Company at the end of that period of 12 years is aware, no communication has been received by the Company from the Shareholder entitled by transmission to the share;
- the Company has given notice of its intention to sell such share by advertisement in one national daily newspaper and in one local newspaper circulating in the area in which the last known address of the Shareholder or by transmission at the last service address of the Shareholder; and
- the Company has not, during the period of three months after the date of the advertisements (or, if published on different dates, the later of them) and prior to the exercise of the power of sale, received any communication from the Shareholder.

The Company's power of sale shall extend to any further share which, on or before the date of publication of the first of any advertisements, is issued in respect of a share if the conditions set out in the bullet points above are satisfied in relation to the further share.

In order to give effect to any such sale, the Directors may, subject (in the case of uncertificated shares) to the provisions of the uncertificated securities rules and the facilities and requirements of CREST, authorise some person to transfer any such shares to the purchaser of them and may enter the name of the transferee in respect of the transferred shares in the Company's register even if no share certificate has been lodged for such shares and may issue a new certificate to the transferee.

The net proceeds of such sale shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect of them for such Shareholder or other person. If no valid claim has been received by the Company during a period of six years from the date on which the relevant shares were sold by the Company under this article, the money shall be forfeited and shall belong to the Company.

6.12 General meetings

The Articles of Association rely on the Companies Act provisions dealing with the calling of general meetings. The Companies Act provides that a general meeting (other than an adjourned meeting) must be called by notice of at least 21 days in the case of an annual general meeting and at least 14 days in any other case. Notice of a general meeting must be given in hard copy form, in electronic form or by means of a website and must be sent to every member and every Director. It must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting. A notice calling an annual general meeting must state that the meeting is an annual general meeting.

Each Director shall be entitled to attend and speak at any general meeting. The chairman of the meeting may invite any person to attend and speak at any general meeting where he considers that this will assist in the deliberations of the meeting.

6.13 Directors

6.13.1 Number

The number of directors shall be not less than two nor more than 15. The Company may by ordinary resolution vary the minimum and/or maximum number of directors.

6.13.2 Directors' shareholding qualification

A director need not be a shareholder. A director who is not a shareholder shall nevertheless be entitled to attend and speak at general meetings.

6.13.3 Restrictions on voting

A director shall not vote on, nor be counted in the quorum in relation to, any resolution of the directors relating to any transaction or arrangement with the Company, or which has been entered into by the Company, in respect of which he is required to make a declaration of interest, or such other issue in which he has an interest.

This prohibition shall not apply to any resolution relating to any transaction, arrangement or matter in respect of which the interest of the director in question arises only from:

- his interest in shares or debentures or other securities in the Company;
- his interest in any other company attributable to his interest in shares or debentures or other securities in the Company;
- any proposal to give him any security, guarantee or indemnity in respect of money lent or obligations incurred by him for the benefit of the Company or any subsidiary;
- any proposal to give a third party any security, guarantee or indemnity in respect of a debt or obligation of the Company or any subsidiary for which he has assumed responsibility under a guarantee or indemnity or by the giving of security;
- his entitlement as a holder of shares or other securities to participate in an offer for subscription or purchase of shares or other securities in the Company or in any subsidiary;
- his interest in any capacity in any arrangement which the Company has in place, or proposes to put in place, for the benefit of its employees or persons that provide services to it or any subsidiary provided that the arrangement does not award him any benefit not generally awarded to the persons to whom such arrangement relates;
- any proposal for the Company to give him an indemnity (other than as described above) where all other directors are also being offered indemnities on substantially the same terms;
- his interest as an insured under any insurance policy which the Company proposes to purchase for the benefit of any or all directors;
- any proposal for the Company to fund expenditure incurred by him in as referred to in s.205 of the Companies Act 2006; and/or
- his interest, direct or indirect and whether as an officer, employee, shareholder, creditor or otherwise, in any other company with which the Company proposes to enter into any transaction or arrangement (save that any such company shall not include any company in which he, so far as he is aware, holds an interest in shares representing one per cent. or more of the issued equity share capital of such company (or of any other company through which such interest is derived) or of the voting rights available to members of the relevant company) and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

For the purposes any interest of a person connected with the director shall be treated as his interests (other than the Company itself).

A director cannot vote or be counted in the quorum on a resolution relating to his own appointment or the settlement or variation of the terms of his appointment to an office or place of profit with the Company or any other company in which the Company has an interest.

If any question shall arise at any meeting as to whether a director is required to declare an interest or is entitled or prohibited to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting.

6.13.4 Remuneration

The remuneration of the directors for their services in the office of director shall in the aggregate not exceed £500,000 per annum or such higher figure as the Company may determine by ordinary resolution.

The directors may also be paid by way of additional remuneration such further sums as the Company in general meeting may from time to time determine.

The Company may repay to any director all such reasonable expenses as he may incur in or about the business of the Company or in the discharge of his duties as a director.

6.13.5 Rotation and appointment of directors

The directors may appoint any other person to be a director of the Company, either to fill a vacancy or as an addition to the board of directors, provided the total number of directors does not exceed 15. Any director so appointed shall hold office only until the next following annual general meeting, when he shall retire but shall be eligible for re-election.

At every annual general meeting, any director who has been appointed by the board since the last annual general meeting occurring after the date of adoption of the Articles of Association or who held office at the time of the two preceding annual general meetings each occurring after the date of adoption of the Articles of Association and who did not retire at either of them who at the date of the meeting has held office with the Company, other than employment or executive office, for a continuous period of nine years or more from the date of adoption of the Articles of Association, shall retire and may seek re-election.

At each of the first two annual general meetings occurring after the date of adoption of the Articles of Association one third of the directors holding office shall retire.

6.13.6 Alternate directors

Any director (other than an alternate director) may appoint another director, or any other person approved by the directors and willing to act, to be an alternate director of the Company and may at any time remove any alternate director appointed by him from office.

An alternate director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a director but shall not be entitled to receive any remuneration in respect of his services as an alternate director except such part (if any) of the remuneration otherwise payable to his appointor as such appointor may direct by notice in writing.

An alternate director shall not be counted in reckoning the maximum and minimum number of directors allowed or required by the Articles of Association.

An alternate director shall be entitled to receive notices of all meetings of the directors or committees of the directors of which his appointor is a member and to attend and vote as a director at any such meetings at which the director appointing him is not personally present, and generally to exercise and discharge all the functions, powers, rights and duties of his appointor as a director at such meeting.

A director acting as an alternate for one or more other directors shall be counted only once for the purpose of determining the presence of a quorum and shall have, in addition to his own vote, one vote for each director for whom he acts as alternate.

An alternate director shall cease to be an alternate director if his appointor ceases for any reason to be a director (except for that director's retirement and subsequent re-election during a single meeting).

6.13.7 Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be two. A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the directors.

Any director may participate in a meeting of the Board or of a committee of the directors by means of conference telephone or any form of communications equipment or by electronic means, provided that all the directors participating in the meeting can communicate simultaneously and in an interactive manner with each other. The directors participating in this manner shall be deemed to be present in person at such meeting and shall accordingly be counted in the quorum and entitled to vote. Subject to statute, all business transacted in such manner by the Board or a committee of the Board shall, for the purpose of the Articles of Association, be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place at such place as the directors shall at such meeting resolve or, in the absence of any such resolution, where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

The Board may appoint a director to be the chairman or a deputy chairman and may at any time remove him from that office. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

The Board may delegate any of its powers, authorities and discretions (with power to subdelegate) to any committee, consisting of such person or persons as it thinks fit, provided that the majority of persons on any committee or sub-committee must be directors. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in the Articles of Association for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

6.13.8 Borrowing powers

Under the Articles of Association, the directors may exercise all the powers of the Company to borrow money or raise money, to guarantee, to indemnify and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and to issue debentures and other securities whether outright or as security (principal or collateral) for any debt, liability or obligation of the Company or any third party.

6.13.9 Indemnities

To the extent permitted by statute, the Company may indemnify any director or former director or other officer of the Company or associated company, or the trustee of any pension fund or employee benefits trust for the benefit of any employee of the Company against any liability.

The Company may purchase and maintain insurance against any liability for any director or former director or other officer of the Company or an associated company or trustee of any pension fund or employee benefits trust for the benefit of any employee of the Company.

No director or former director or other officer of the Company or an associated company shall be accountable to the Company or the members for any benefit provided pursuant to this part of the Articles of Association and the receipt of any such benefit shall not disqualify any person from being or becoming a director. This is without prejudice to any indemnity to which any person may otherwise be entitled.

6.13.10 Directors' interests

A director who is in any way, whether directly or indirectly, interested in any proposed transaction or arrangement with the Company, or which has been entered into by the Company, shall declare the nature and extent of his interest to the other directors.

A director shall be deemed interested in any transaction or arrangement in which any person connected with him is interested, whether directly or indirectly.

A director need not declare an interest:

- if he is not aware of it or if he is not aware of the transaction or arrangement in question (for these purposes a director is treated as being aware of matters of which he ought reasonably to be aware);
- if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- if, or to the extent that, the other directors are already aware of it (for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
- if, or to the extent that, it concerns terms of his service contract that have been or are to be considered:
- by a meeting of the directors; or
- by a committee of the directors appointed for the purpose under the Articles of Association.

6.14 Communication of documents and information

Any notice, document (including a share certificate) or other information may be served on or sent or supplied to any Shareholder by the Company personally, by post, by means of a relevant system, by sending or supplying it in electronic form to an address notified by the Shareholder to the Company for that purpose, where appropriate, by making it available on the Company's website and notifying the Shareholder of its availability, or by any other means authorised in writing by the Shareholder.

6.15 Restrictions on transfers

Any instruments of transfer which are registered shall be retained by the Company for six years following registration, but any instrument of transfer which the directors refuse to register shall (except in any case of fraud) be returned to the persons depositing the same.

The directors may refuse to register any transfer of certificated shares which are not fully paid provided that, where any such shares are admitted to trading on any recognised investment exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The directors may also refuse to register any transfer of a certificated share unless the duly-stamped instrument of transfer is deposited at the office or such other place as the directors may appoint, accompanied by the relevant share certificate (if issued), and such other evidence of the transferor's ownership as the directors may reasonably require.

The directors may refuse to register any transfer of an uncertificated share where permitted or required by law.

The directors may refuse to register any transfer of shares unless it is in respect of only one class of shares.

If the directors refuse to register a transfer they shall send to the transferee notice of the refusal as soon as practicable and in any event within two months.

The directors may, in their absolute discretion and without giving a reason, decline to transfer or register any transfer of any certified share or (to the extent permitted by the Rules) uncertified share which is not fully paid or on which the Company has a lien provided, or if, the transfer is in favour of any Non-Qualified Holder or it would cause the Company to fail Condition D (not a close company) in section 528 of the Corporation Tax Act 2010, provided in the case of a listed share such refusal to register a transfer would not prevent dealings in the share from taking place on an open and proper basis on the relevant stock exchange. In the event that any holder becomes, or holds shares on behalf of, a Non-Qualified Holder, such holder shall be required to notify the Administrator immediately.

6.16 Substantial Shareholders

The Articles of Association contain provisions relating to substantial shareholders. The Company will become a REIT. As a REIT, under Part 12 CTA 2010 a tax charge may be levied on the Company if it makes a distribution to a company beneficially entitled (directly or indirectly) to 10 per cent. or more of the ordinary shares or dividends of the Company or which controls (directly or indirectly) 10 per cent. or more of the voting rights of the Company. If, however, the Company has taken “reasonable steps” to prevent the possibility of such a distribution being made, then this tax charge may not arise. The Articles of Association:

- provide the directors with powers to identify substantial shareholders (including giving notice to a shareholder requiring him to provide such information as the Directors may require to establish whether or not he is a Substantial Shareholder);
- provide the directors with powers to prohibit the payment of dividends on ordinary shares that form part of a substantial shareholding, if certain conditions are met;
- allow dividends to be paid on ordinary shares that form part of a substantial shareholding where the shareholder has disposed of its rights to dividends on its ordinary shares;
- seek to ensure that if a dividend is paid on ordinary shares that form part of a substantial shareholding and arrangements of the kind referred to above are not met, the substantial shareholder concerned does not become beneficially entitled to that dividend; and
- provide the directors with powers if certain conditions are met, to require (1) a substantial shareholder; or (2) a shareholder who has not complied with a notice served in accordance with the power referred to in the first bullet point above; or (3) a shareholder who has provided materially inaccurate or misleading information in relation to the substantial shareholder provisions of the Articles of Association, to dispose of such number of their shares as the directors may specify, or to take such other steps as will cause the directors to believe the shareholder is no longer a substantial shareholder.

6.17 Continuation Vote

Under the Articles of Association, the Company is required to offer a continuation vote to Shareholders at the annual general meeting of the Company following the fifth anniversary of Admission. If there is no continuation vote passed at such annual general meeting, the directors will cause a general meeting of the Company to be convened for a date not later than 120 days after the date of the annual general meeting at which such resolution was not passed. At a general meeting of the Company so convened by the directors, the directors will cause a special resolution to be proposed instructing the directors to implement proposals for the voluntary liquidation or other reconstruction or reorganisation of the Company.

7 Employees

As at the date of this document, the Company has no employees.

8 Directors and others' interests

- 8.1 The table below sets out the voting rights (within the meaning of the Disclosure Guidance and Transparency Rules) held, directly or indirectly, by any of the Directors in respect of the share capital of the Company as at 11 September 2019 (being the last practicable date prior to

publication of this document) and immediately following Admission (assuming 49,019,607 New Ordinary Shares are issued under the Initial Issue):

	As at 11 September 2019		Immediately following Admission	
Director	Number of Ordinary Shares	% of voting share capital	Number of Ordinary Shares	% of voting share capital*
Nick Hewson	380,000	0.16	399,607	0.14
Vincent Prior	99,000	0.04	118,607	0.04
Jon Austen	55,431	0.02	75,038	0.03

**assumes Gross Initial Issue Proceeds of £50 million*

- 8.2 Save as set out above, no Director holds, or will hold immediately following Admission, directly or indirectly, any voting rights in respect of the Company or any of its subsidiaries.
- 8.3 So far as the Company is aware, as at 11 September 2019 (being the last practicable date prior to publication of this document) the following persons (other than Directors) hold, directly or indirectly, voting rights in respect of three per cent or more of the Company's issued share capital:

	As at 11 September 2019	
Shareholder	Number of Ordinary Shares	% of voting share capital
Quilter Cheviot Investment Management	26,649,757	11.11
Smith & Williamson Investment Management	16,842,839	7.02
BMO Global Asset Management	14,842,500	6.19
Premier Fund Management	14,410,770	6.01
West Yorkshire Pension Fund	14,166,291	5.91
Canaccord Genuity Wealth	14,001,484	5.84
Close Asset Management	13,595,957	5.67
River & Mercantile Asset Management	13,525,280	5.64
TR Property Investment Trust	11,289,711	4.71
Ruffer	9,310,994	3.88
Miton Asset Management	8,090,603	3.37
Brooks Macdonald Asset Management	7,768,953	3.24
Charles Stanley	7,473,334	3.12

- 8.4 Save as set out in paragraph 8.3 of this Part 16, the Company is not aware of any person who, as at 11 September 2019 (being the last practicable day prior to publication of this document) or immediately following Admission, holds or will hold voting rights, directly or indirectly, in respect of 3 per cent. or more of the issued share capital of the Company.
- 8.5 None of the Shareholders referred to in paragraphs 8.1 and 8.3 of this Part 16 has different voting rights from any other holder of Ordinary Shares.

8.6 The business address of each of the Directors is set out in Part 5 of this document. The Directors are or have been directors or partners at any time in the five years immediately preceding the date of this document of the companies and partnerships in the below table. In addition to their fiduciary obligations to act in the best interests of the Company, the Directors' appointment letters require them to discharge their duties in the interests of the Company notwithstanding their connection with the following companies and partnerships:

Name	Current directorships/partnerships	Past directorships/partnerships
Nick Hewson	Carlin Ventures Limited One Ladbroke Square Investments LLP Redrow plc Westminster Gardens Holdings Limited Croma Security Solutions Group plc Philex Limited Specialist Healthcare Properties plc	Grosvenor Equity Managers Limited City Centre Partners LP Heligon Limited Pradera Group Limited Re-Struct Property Solutions LLP Going Green Limited AGN Investments Limited Icelus Developments Limited Morpheus Developments (Cresswell) Limited
Vincent Prior		VP Real Estate Advisory Limited BLSSP (PHC 1 2012) Limited BLSSP (PHC) Limited BLSSP (Cash Management) Limited BLSSP (PHC 1) Limited BLSSP (Lending) Limited BLSSP (PHC 20) Limited BLSSP (PHC 34) Limited BLSSP (PHC 14) Limited BLSSP (PHC 32) Limited BLSSP (PHC) 28 Limited BLSSP (PHC 16) Limited BLSSP (PHC 2) Limited BLSSP (PHC 9) Limited BLSSP (PHC 2 2010) Limited BLSSP (PHC 17) Limited BLSSP (PHC 6) Limited BLSSP (PHC 5) Limited BLSSP (PHC 27) Limited BLSSP (PHC 33) Limited BLSSP Property Holdings Limited BLSSP (PHC 22) Limited BLSSP (PHC 23) Limited BLSSP (PHC 25) Limited BLSSP (PHC 26) Limited BLSSP (PHC 10) Limited BLSSP (PHC 24) Limited BLSSP (PHC 11) Limited BLSSP (PHC 21) Limited BLSSP (PHC 30) Limited BLSSP (PHC 18) Limited BLSSP (PHC 12) Limited BLSSP (PHC 3) Limited BLSSP (PHC 1 2010) Limited BLSSP (PHC 35) Limited BLSSP (PHC 19) Limited Vyson BL Sainsbury Superstores Limited British Land Superstores (Non-Securitised) Pencilscreen Limited Ten Fleet Place BL Superstores Finance plc Clarendon Property Company Sainsbury Property Investments Limited BLS Non Securitised 2012 2 Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		BLS Non Securitised 2012 1 Limited Sainsbury's Basingstoke Limited Selected Land and Property Company BL Superstores (Funding) Limited BL Crawley
Jon Austen	Audley Group Limited Audley Sunningdale Part Limited Audley Sunningdale Park Management Limited McKay Securities plc Audley Willicombe Management Limited Audley Ellerslie Management Limited Audley Stanbridge Earls Management Limited Audley Court Management Limited Audley Court Limited Audley Clevedon Management Limited Audley Clevedon Limited Audley St George's Management Limited Audley Care Limited Audley St George's Limited Audley Stanbridge Earls Limited Audley Inglewood Management Limited Audley Care Holdings Limited Audley Flete Management Limited Audley Flete Limited Audley Binswood Management Limited Audley Mote Limited Audley Ellerslie Limited Audley Redwood Management Limited Audley Care Coventry Limited Audley Inglewood Limited Audley Mote Management Limited Audley St Elphins Limited Audley Willicombe Limited Audley Binswood Limited Audley Care White Horse Limited Mayfield Villages Limited Audley Redwood Limited Audley Chalfont Limited Audley St Elphins Management Limited Audley Runnymede Limited Audley Chalfont Management Limited Audley Runnymede Management Limited Sandy Way Property Owners Company Limited	AW Management Company (KP1R) Limited Decimus Park Management Limited Audley Financial Services Limited Urban&Civic Whiston Investments Limited Urban&Civic Broomiewlaw Limited Urban&Civic Penzance Limited Altira Park Management Company Limited Baltic Business Quarter Management Limited Brabazon Park Management Company Limited Christchurch Business Park Management Limited Cirrus (Aeropark) Management Limited Ill Acre Site Management Company Limited Manhattan Gate Management Company Limited Urban&Civic Middlehaven Properties 2 Limited Nimbus (Aeropark) Management Limited Urban&Civic Investments Limited Urban&Civic Residential Lettings No.3 Limited Urban&Civic Central Funding Limited T.H (Development Partnership) Limited Urban&Civic Bishop Auckland Limited Terrace Hill (Bracknell) Limited Urban&Civic Christchurch Limited Urban&Civic Howick Place Investments Limited Urban&Civic Hyde Limited Urban&Civic Maidenhead Limited Urban&Civic Middlehaven Limited Urban&Civic Middlesbrough Limited Urban&Civic Miscellaneous Properties Limited Urban&Civic Prestwich Limited Urban&Civic Princess Street Limited Urban&Civic Property Developments No 2 Limited Urban&Civic Property Developments No 1 Limited Urban&Civic Redcliff Street Limited Urban&Civic Sunderland Limited Urban&Civic Tunbridge Wells Limited Urban&Civic Victoria Street Limited Urban&Civic Property Investments No 4 Limited Urban&Civic Property Investments No 4 Limited Urban&Civic Baltic No 2 Limited Urban&Civic Baltic No 4 Limited Terrace Hill Brigit Limited Urban&Civic Deansgate Limited Terrace Hill Castlegate House Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		Terrace Hill Development Partnership Nominee Limited Terrace Hill Development Partnership General Partner Limited Urban&Civic Developments Limited Terrace Hill Foodstore Developments Limited Terrace Hill Mayflower Plaza Limited Urban&Civic Resolution Limited Urban&Civic plc Urban&Civic Rugby Limited Urban&Civic Property Developments Limited Terrace Hill Southampton Limited Urban&Civic (Bradford) Limited Urban&Civic Waterbeach Limited Urban&Civic Projects Limited Urban&Civic Middlehaven Properties Limited Urban&Civic UK Limited Bridge Quay Management Company Limited Terrace Hill Foodstore Development Company Parent Limited Urban&Civic Stokesley Limited Urban&Civic Feethams Limited Urban&Civic Honiton Limited Urban&Civic Skelton Limited Urban&Civic Burnley Limited Urban&Civic St Austell Limited Terrace Hill Deansgate Operations Company Limited Urban&Civic Holmfirth Limited Urban&Civic Northam Limited Catesby Estates (Developments) Limited Urban&Civic Armadale No 1 Limited Catesby Estates Promotions Limited Brightstamp Limited Dialfolder Limited Urban&Civic Britannic Global Income Trust Limited Urban&Civic (Property Investment No 3) Limited Second Park Circus Investing Urban&Civic Central Scotland Limited Catesby Development Land Limited Catesby Land and Planning Limited Catesby Promotions Limited Urban&Civic Homes Limited Urban&Civic North East Limited AW Management Company (KP1C) Limited Alconbury Weald Estate Management Company Limited Catesby Land Promotions Limited Raleigh Close Management Company Limited Spath Holme Management Limited Park Circus Registrars Limited Devcap Partnership 2 Nominee Limited Hollylux Limited PCG Residential Lettings (no.7) Limited Platts Eyot Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		Port Hampton Limited Spath Holme Limited Terrace Hill (Berkeley Limited) Terrace Hill (Berkeley No 1) Limited Terrace Hill Estates Limited Thanet Reach Estates Limited Devcap Partnership 2 General Partner Limited Tannochside Estates Limited Terrace Hill (Heaton Park) Management Limited Two Orchards Holdings Limited Terrace Hill Retail Partnership Limited Terrace Hill Blyth Limited Terrace Hill (Swansea) Limited Terrace Hill Redditch Development Partnership General Partner Limited Terrace Hill (Pinewood) Limited Terrace Hill Retail Partnership General Partner Limited Terrace Hill Redditch Limited Terrace Hill (Galashiels) No.1 Limited Belgrave Residential Assets Limited Belgrave Residential Investments Limited PCG Residential Limited Paisley Pattern Homes Limited South Easter Recovery II Limited Second South Easter Recovery Investing Limited Terrace Hill (Residential Developments) Limited Terrace Hill Residential plc

8.7 At the date of this document none of the Directors has:

- 8.7.1 any convictions in relation to fraudulent offences for the previous five years;
- 8.7.2 been declared bankrupt or been subject to any individual voluntary arrangement or been associated with any bankruptcy, receivership or liquidation in his capacity as a director or senior manager for the previous five years;
- 8.7.3 been a director or senior manager, within the previous five years, of any company which has been subject to a receivership or liquidation;
- 8.7.4 been a partner or senior manager, within the previous five years, in any partnership which has been subject to a liquidation; and/or
- 8.7.5 been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company for the previous five years.

8.8 None of the Directors has any potential conflicts of interest between their duties to the Company and their private interests and/or their duties to third parties.

9 Directors' letters of appointment

- 9.1 Each Director has entered into a letter of appointment with the Company. The Directors' appointments can be terminated in accordance with the Articles of Association and without compensation. All Directors are subject to retirement by rotation in accordance with the Articles. There is no notice period specified in the letters of appointment or Articles of Association for the removal of Directors. The Articles provide that the office of Director shall be terminated by, amongst other things: (i) written resignation; (ii) unauthorised absences from

board meetings for six consecutive months or more; or (iii) written request of a majority of the other Directors.

9.2 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles of Association. Save for the Chairman, the fees are £35,000 for each Director per annum. The Chairman's fee is £55,000 per annum. In addition, the Chair of the Audit Committee will receive an additional fee of £5,000 per annum.

9.3 The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending 30 June 2019 which will be payable out of the assets of the Company are not expected to exceed £150,000.

9.4 No Director has a service agreement with the Company, nor are any such contracts proposed.

10 [Left intentionally blank]

11 [Left intentionally blank]

12 Pensions

At the date of this document, the Company does not have, nor has it operated, any pension scheme(s).

13 Material contracts

Below is a summary of (i) each material contract (other than a contract entered into in the ordinary course of business) to which the Company or any member of the Group is a party which has been entered into within the two years immediately preceding the date of this document; and (ii) any other contract (other than a contract entered into in the ordinary course of business) entered into by any member of the Group which contains obligations or entitlements which are or may be material to the Group as at the date of this document.

13.1 Placing Agreement

Pursuant to the Placing Agreement, Stifel has agreed to use its reasonable endeavours to procure subscribers for (i) the New Ordinary Shares pursuant to the Placing, and (ii) Placing Programme Shares to be issued pursuant to placings under the Placing Programme.

The obligation of the Company to issue New Ordinary Shares pursuant to the Initial Issue and Placing Programme Shares to be issued pursuant to placings under the Placing Programme, and the obligation of Stifel to use reasonable endeavours to procure subscribers for New Ordinary Shares pursuant to the Initial Issue and Placing Programme Shares pursuant to the Placing Programme, are conditional upon certain conditions that are customary for an agreement of this nature.

The conditions to the Placing include, among others: (i) the Placing Agreement becoming unconditional in all respects (save for the condition relating to Admission and in respect of any condition which relates to the Placing Programme); and (ii) Admission having taken place by no later than 8.00 a.m. on 7 October 2019.

The Conditions to any placing undertaken in connection with the Placing Programme include, among others: (i) agreement between the Company and Stifel as to the issue price of the Placing Programme Shares to be issued under the relevant Tranche; (ii) the fulfilment in all material respects by the Company of its obligations under the Placing Agreement; and (iii) the obligations of Stifel not having been terminated before the admission of the relevant Tranche of Placing Programme Shares pursuant to the Placing Programme.

The Placing Agreement may be terminated by Stifel prior to Admission, or the admission of a Tranche of Placing Programme Shares under the Placing Programme, in certain customary circumstances set out in the Placing Agreement. If these termination rights are exercised, the Initial Issue, or the relevant issue of a Tranche of Placing Programme Shares under the Placing Programme, as applicable, will lapse and any monies received in respect of the Initial Issue or the issue of the relevant Tranche (as applicable) will be returned to applicants without interest.

The Placing Agreement provides for Stifel to be paid (i) a corporate finance fee; and (ii) a broking commission equal to 1.5 per cent. of the aggregate value of the New Ordinary Shares

issued pursuant to the Initial Issue and the Placing Programme Shares issued pursuant to the Placing Programme (other than in respect of investors procured by any joint broker(s)) and, in respect of those investors procured by Stifel, with which other brokers have assisted or have procured ("**Joint Placees**") a commission equal to 1.5 per cent. of the total aggregate gross proceeds that relate to Joint Placees, to be split between Stifel and the other brokers as the Company may in its absolute discretion determine.

All New Ordinary Shares issued pursuant to the Initial Issue will be issued, payable in full, at the Issue Price in accordance with the terms of the Initial Issue. All Placing Programme Shares issued pursuant to the Placing Programme will be issued at an issue price to be determined by the Board in consultation with Stifel, as described in paragraph 2.2 of Part 6 ("**Letter from the Chairman**") of this document.

The Company has agreed to pay or cause to be paid (together with any applicable VAT) certain costs, charges, fees and expenses of, or arising in connection with or incidental to, the Initial Issue and each issue of a Tranche of Placing Programme Shares under the Placing Programme.

The Company and Investment Adviser have each given warranties and undertakings to Stifel, including concerning the accuracy of the information contained in this document. The Company has given certain indemnities to Stifel, including for liabilities under applicable securities laws. The warranties and indemnities given by the Company are standard for an agreement of this nature.

Under the Placing Agreement, Stifel is entitled at its discretion and out of its own resources at any time to rebate to any third-party part or all of its fees relating to the Initial Issue and Placing Programme and to retain agents and may pay commission in respect of the Initial Issue or future placings under the Placing Programme to any or all of those agents out of its own resources. In addition, Stifel may decline to charge the Company commission in relation to certain investors in order that the Company can arrange payment of this same commission to other third parties who have arranged the relevant investor introduction.

The Placing Agreement is governed by the laws of England and Wales.

13.2 Investment Advisory Agreement

Under the terms of the Investment Advisory Agreement, the Company and the AIFM appointed the Investment Adviser to provide certain investment advisory services on an exclusive basis to the Company, including sourcing potential opportunities in which the Company may invest, as well as on-going monitoring of the Portfolio.

In addition, the Investment Advisory Agreement imposes certain restrictions on the Investment Adviser so that all opportunities available to the Investment Adviser to acquire property assets which in the good faith judgment of the Investment Adviser fall within the Investment Policy shall first be offered to the Company. The Investment Adviser has agreed that neither it nor any of its affiliates will act as manager or adviser to any other collective investment scheme whose primary investment objective is to invest in supermarket real estate in the UK.

The Investment Advisory Agreement shall continue in force for an initial period of five years from the date of the IPO (the "**Initial Term**"). The Investment Advisory Agreement may be terminated following the Initial Term provided that notice is served by the Company or the Investment Adviser prior to the end of the Initial Term. In such circumstances the Investment Advisory Agreement will terminate six months following the Initial Term. In the event that notice to terminate is not served prior to the end of the Initial Term, the Investment Advisory Agreement shall continue in force for recurring one year periods (each being a "**Subsequent Period Date**") provided that the Company or the Investment Adviser may terminate the Investment Advisory Agreement by serving notice to terminate six months prior to the end of the relevant Subsequent Period Date. The Investment Advisory Agreement may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied.

The Investment Advisory Agreement shall terminate six months after the Company and the Investment Adviser agree that individuals providing the relevant services under the Investment Advisory Agreement are to become an internal resource of the Company (an

“Internalisation”). On an Internalisation, the Investment Adviser will not be entitled to any additional termination fee.

The Company has also agreed to indemnify the Investment Adviser for losses that the Investment Adviser may incur in the performance of its duties pursuant to the Investment Advisory Agreement or otherwise in connection with the Company’s activities that are not attributable to, among other things, a material breach of the Investment Advisory Agreement by, or the negligence, fraud, or wilful misconduct of, the Investment Adviser (in each case as finally determined in a decision on the merits in any action, suit or proceeding, or on a formal admission).

The Investment Adviser’s maximum liability under the Investment Advisory Agreement is limited to £5 million.

The Investment Adviser’s fee comprises a monthly fee and a semi-annual fee. The monthly fee is payable monthly in arrears and is at the rate of: (i) one-twelfth of 0.7125 per cent. per calendar month of Adjusted NAV up to or equal to £500 million; (ii) one twelfth of 0.5625 per cent. per calendar month of Adjusted NAV above £500 million and up to or equal to £1 billion; (iii) one twelfth of 0.4875 per cent. per calendar month of Adjusted NAV above £1 billion up to or equal to £1.5 billion; and (iv) one twelfth of 0.23375 per cent. per calendar month. The semi-annual fee is paid semi-annually in arrears and is equal to (i) 0.11875 per cent. of Adjusted NAV up to or equal to £500 million; (ii) 0.09375 per cent. of Adjusted NAV above £500 million and up to or equal to £1 billion; (iii) 0.08125 per cent. of Adjusted NAV above £1 billion and up to or equal to £1.5 billion; and (iv) 0.05625 per cent. of Adjusted NAV above £1.5 billion.

No performance fee will be payable to the Investment Adviser. Under the terms of the Investment Advisory Agreement, the Company may satisfy some or all (after making an allowance for tax payable by the Investment Adviser) of its obligation to pay the semi-annual fee to the Investment Adviser by the allotment and/or sale of Ordinary Shares. Where such fees are satisfied in Ordinary Shares, the Investment Adviser has agreed, subject to certain exceptions, not to dispose of such Ordinary Shares for a period of 12 months from the date of their allotment/sale to the Investment Adviser. In considering whether to satisfy the semi-annual fees under the Investment Advisory Agreement in Ordinary Shares, the Company will have regard to whether doing so would be accretive to Shareholders.

Under the Investment Advisory Agreement, the Investment Adviser has agreed with the Company to certain lock-up provisions, such that it will not dispose of, directly or indirectly the legal or beneficial or any other interest in any Ordinary Shares allotted or sold to it pursuant to the Investment Advisory Agreement until the date falling 12 months after the date of such allotment or sale.

The Investment Advisory Agreement is governed by the laws of England.

13.3 AIFM Agreement

The Company and the AIFM entered into the AIFM Agreement on 15 June 2017, pursuant to which JTC Global AIFM Solutions Limited was appointed as the alternative investment fund manager to the Company, as defined in the AIFM Directive and the AIFM Regulations.

Pursuant to the AIFM Agreement, the AIFM is entitled to receive a fee which shall be calculated on such basis and in such amount as agreed in writing from time to time between the AIFM and the Company.

The AIFM Agreement shall continue in force for an initial term of two years from the date of the IPO and, thereafter, shall be terminable by either the AIFM or the Company giving to the other not less than six months’ written notice. The AIFM Agreement may be terminated earlier by either party with immediate effect in certain circumstances, including, if the other party shall go into liquidation or an order shall be made or a resolution shall be passed to put the other party into liquidation or the other party has committed a material breach of any obligation under the AIFM Agreement, and in the case of a breach which is capable of remedy fails to remedy it within 30 days.

The Company has given certain market standard indemnities in favour of the AIFM in respect of the AIFM’s potential losses in carrying on its responsibilities under the AIFM Agreement.

The maximum aggregate liability of the AIFM under the AIFM Agreement is the lesser of £5 million or an amount equal to ten times the annual fee payable to the AIFM.

The AIFM Agreement is governed by the laws of Guernsey.

13.4 Senior Advisory Agreement

The Company and the Investment Adviser entered into the Senior Advisory Agreement with the Senior Adviser on 14 June 2017. The Senior Advisory Agreement continued in force for an initial period of 18 calendar months from the date of the IPO. Thereafter its term was extended for subsequent periods of one calendar year by notice in writing given before the expiry of each relevant year. The Company may terminate the agreement in certain customary circumstances, including in the event that the Senior Adviser does not, for a period of three consecutive months, identify or source at least one potential investment opportunity for the Company.

Pursuant to the Senior Advisory Agreement, the Senior Adviser:

- acts as buy-side agent to the Company, identifying and sourcing certain investment opportunities and making introductions;
- provides advice and on-going updates in relation to the UK supermarket sale and leaseback market; and
- provides on-going input and advice into the performance of the UK Property Portfolio.

In certain circumstances, the Company may instruct an alternative buy-side agent to source investment opportunities.

The Senior Adviser's fees will form part of the acquisition costs in relation to the acquisition of any property which the Senior Adviser has sourced and shall be an amount in cash equal to one half of one per cent. (0.5%) of the total amount paid or payable by the Company (or another member of the Group) in respect of the relevant acquisition or investment. The Company has the option to satisfy up to 50 per cent. of the fees payable to the Senior Adviser by the transfer and/or allotment and issue of Ordinary Shares.

Under the Senior Advisory Agreement, the Senior Adviser has agreed with the Company to certain lock-up provisions in relation to any Ordinary Shares it is allotted and/or sold in satisfaction of its fees, such that: (i) it may only dispose of up to 50 per cent. of the Ordinary Shares it receives between the date falling one year and the date falling two years from the date of such allotment and/or sale; and (ii) it may dispose of any of the Ordinary Shares it receives after the date falling two years from the date of such allotment and/or sale.

The Senior Advisory Agreement is governed by the laws of England.

13.5 Administration and Company Secretarial Agreement

The Company and JTC (UK) Limited entered into the Administration and Company Secretarial Agreement, pursuant to which JTC (UK) Limited was appointed to perform certain accounting, administration, company secretarial and related services.

JTC (UK) Limited is permitted under the Administration and Company Secretarial Agreement to delegate any of its duties to: (i) an associate of JTC (UK) Limited; or (ii) subject to the prior written consent of the Company (such consent not to be unreasonably withheld) any other person, provided that JTC (UK) Limited remains liable for the acts and/or omissions of such person as if they were its own acts and/or omissions.

Pursuant to the Administration and Company Secretarial Agreement, JTC (UK) Limited is responsible for providing secretarial functions to the REIT Group, such as board and committee support, providing corporate governance advice, providing regulatory and compliance advice and overseeing the production of accounts.

The Administration and Company Secretarial Agreement shall continue in force until determined by either the Company or JTC (UK) Limited giving to the other not less than six months' notice in writing expiring on or at any time after the second anniversary of the IPO, and may be terminated immediately by either party in certain situations, including in the event of insolvency of the other party.

The fee payable to JTC (UK) Limited under the Administration and Company Secretarial Agreement for its administrative services is £50,000 per annum. The fee payable to JTC (UK) Limited under the Administration and Company Secretarial Agreement for its company secretarial services is £60,000 per annum, with an additional secretarial fee of £8,000 per annum per SPV incorporated outside England and Wales. JTC (UK) Limited also receives annual value fees calculated with reference to the Company's NAV over certain thresholds. These fees are payable to JTC (UK) Limited quarterly in arrears.

The Administration and Company Secretarial Agreement contains certain customary covenants, undertakings and indemnities by the Company in favour of JTC (UK) Limited.

The Administration and Company Secretarial Agreement is governed by the laws of England and Wales.

There is no direct contractual relationship between the Shareholders and JTC (UK) Limited. Shareholders therefore have no direct contractual rights against JTC (UK) Limited and there are only limited circumstances in which a Shareholder may potentially bring a claim against JTC (UK) Limited.

13.6 Registrar Agreement

Pursuant to the Registrar Agreement, Link Asset Services was appointed as registrar to the Company. Under the terms of the Registrar Agreement, the Registrar is responsible for functions such as maintaining and updating the register of members of the Company on a daily basis, daily reconciliation of CREST account movements with Euroclear, and preparing, sealing and issuing new share certificates of the Company in accordance with the Articles.

Under the Registrar Agreement, the Registrar receives fees in such amount as agreed in writing from time to time between the Registrar and the Company.

The Registrar Agreement shall be for an initial term of three years from the IPO (the "**Initial Period**"), following which it will automatically renew for 12 month periods unless terminated by either party: (i) at the end of the Initial Period, provided written notice is given to the other party at least three months prior to the end of the Initial Period; or (ii) at the end of any successive 12 month period, provided written notice is given to the other party at least three months prior to the end of such successive 12 month period.

The Registrar Agreement limits the Registrar's liability thereunder to the lesser of £500,000 or an amount equal to five times the fee payable to the Registrar pursuant to the Registrar Agreement.

There is no direct contractual relationship between the Shareholders and the Registrar. Shareholders therefore have no direct contractual rights against the Registrar and there are only limited circumstances in which a Shareholder may potentially bring a claim against the Registrar.

The Registrar Agreement is governed by the laws of England.

13.7 Receiving Agent Agreement

Pursuant to the Receiving Agent Agreement, Link Asset Services has been appointed as receiving agent for the Company. The Receiving Agent will provide receiving agent duties and services to the Company in respect of the Initial Issue.

Under the Receiving Agent Agreement, the Receiving Agent will receive a fixed fee in respect of services connected to the Offer for Subscription.

The Receiving Agent Agreement limits the Receiving Agent's liability thereunder to the lesser of £250,000 or an amount equal to five times the fee payable to the Receiving Agent pursuant to the Receiving Agent Agreement.

The Receiving Agent Agreement is governed by the laws of England.

13.8 Goodbody Engagement Letter

The Company has appointed Goodbody Stockbrokers UK ("**Goodbody**") to act as a placing agent in connection with the Placing on the terms and subject to the conditions of an engagement letter dated 10 September 2019 (the "**Goodbody Engagement Letter**"). Pursuant

to the Goodbody Engagement Letter, Goodbody will, *inter alia*, use reasonable endeavours to procure Placees for New Ordinary Shares under the Placing at the Issue Price, such Placees to be: (i) only Placees situated in the Republic of Ireland (the “**Goodbody Irish Placees**”); and (ii) only those Placees located in the UK that are set out in the Goodbody Engagement Letter (the “**Goodbody UK Placees**” and, together with the Goodbody Irish Placees, the “**Goodbody Placees**”).

The obligations of Goodbody are conditional upon the Placing Agreement not being terminated prior to Admission. The Company will procure that New Ordinary Shares allotted to Goodbody Placees will be allotted and issued to those Goodbody Placees on the same basis and timing as Placees procured by Stifel.

The Goodbody Engagement Letter provides for Goodbody to be paid, conditional upon Admission: a broking commission of up to 1.5 per cent. of the aggregate value of the New Ordinary Shares subscribed for by Goodbody Placees; a broking commission equal to such proportion of 1.5 per cent. of the aggregate value of the New Ordinary Shares subscribed for by certain other Placees set out in the Goodbody Engagement Letter.

Pursuant to the Goodbody Engagement Letter, the Company has agreed to indemnify Goodbody and its affiliates from and against, *inter alia*, any and all losses, costs, claims, actions and expenses (“**Claims**”) arising directly or indirectly out of or in connection with Goodbody’s services under the Goodbody Engagement Letter. The Company has agreed to reimburse Goodbody for all reasonable costs and expenses properly incurred in investigating and defending any Claim.

The Goodbody Engagement Letter is governed by the laws of England and Wales.

14 Facility agreements

14.1 Revolving facility agreement

Each of Supermarket Income Investments UK (No 1) Ltd, Supermarket Income Investments UK (No 2) Ltd, Supermarket Income Investments UK (No 3) Ltd and Supermarket Income Investments UK (No 4) Ltd entered into a revolving credit facility agreement in 2017 to borrow an amount of up to £100,000,000 from HSBC Bank PLC. The purpose of the facility was (among others) to finance or refinance the acquisition costs of certain properties, the payment of fees and other expenses incurred in connection with the acquisitions and the general corporate purposes of the borrowers (as permitted in the facility agreement).

Each of the borrowers, together with the Company, has provided guarantees and each of the borrowers has provided security over their assets including the properties acquired by them.

The applicable rate of interest is LIBOR plus a margin of 1.75 per cent. per annum. Provided that no default has occurred, the margin can vary depending on the LTV: 1.75 per cent. per annum (LTV equal to or greater than 55 per cent.); 1.65 per cent. per annum (LTV less than 55 per cent. but greater than 45 per cent.), and 1.60 per cent. per annum (LTV equal to or less than 45 per cent.).

The facility agreement contains customary undertakings and events of default.

The facility agreement contains certain financial covenants. Historic interest cover must not be less than 200 per cent. at all times. Projected interest cover must not be less than 200 per cent. at all times. LTV must not be more than (i) 60 per cent at any time up to the date falling one year prior to the termination date and (ii) 50 per cent at any time from the date falling one year before the termination date and ending on the termination date. The termination date is 30 August 2021 but it can be extended by up to a further year in accordance with the terms of the facility agreement.

14.2 Facility agreement with Bayerische Landesbank

On 19 July 2018, the Company announced that it had secured a £52,100,000 term loan credit facility with Bayerische Landesbank (the “**BLB Facility**”). The purpose of the BLB Facility was to, amongst others, indirectly acquire or finance the properties known as (i) Morrisons Store, 699 Penistone Road, Sheffield S6 2GY and (ii) Sainsbury’s Store, Simone Weil Avenue, Ashford TN24 8YN (the “**Properties**”).

Each of the borrowers under the BLB Facility has provided guarantees and security over their respective assets including the Properties.

The applicable rate of interest is LIBOR plus a margin of 1.25 per cent. per annum.

The BLB Facility contains customary undertakings and events of default.

The BLB Facility contains certain financial covenants. Projected interest cover must not be less than 350 per cent. and LTV must not at any time exceed 60 per cent.

The BLB Facility must be repaid in full on 18 July 2023.

14.3 *Facility agreement with Dekabank*

On 27 August 2019, the Company announced that it had secured a £47,600,000 five-year, interest-only term loan facility with Dekabank (the “**Dekabank Facility**”). The applicable rate of interest is LIBOR plus a margin of 1.35 per cent. per annum.

The Dekabank Facility contains customary undertakings and events of default. The facility contains certain financial covenants. Projected interest cover must not be less than 10 per cent. LTV must not at any time exceed 60 per cent.

In addition, the facility also includes a £40 million uncommitted accordion option for the term of the facility. This option gives the Company the ability to request to increase the size of the facility, subject to Dekabank’s internal credit approvals and their further due diligence on any assets to be added to the security pool. As such the accordion option is uncommitted to the Company.

The Dekabank Facility must be repaid in full on 23 August 2024. However, the Dekabank facility includes an uncommitted option for the Company to request an extension of the repayment date up to 23 August 2026.

15 **Details of investments and acquisitions**

Other than the investments of the Company in the subsidiary undertakings referred to in paragraph 2.6 of this Part 16, there has been no material acquisition nor other principal investment made by the Company in the three years immediately preceding the date of this document. At the date of this document, the Company has made no firm commitments to make any new principal investments.

16 **Working capital**

The Company is of the opinion that the working capital available to the REIT Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

17 **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, a significant effect on the Company’s or the REIT Group’s financial position or profitability.

18 **Significant change**

Other than as set out in paragraph 6.2 of Part 6 of this document, there has been no significant change in the financial performance or the financial position of the REIT Group since 30 June 2019, the date to which the historical financial information in Part 15 is drawn up.

19 **Related Party Transactions**

With the exception of the AIFM Agreement (details of which are set out in paragraph 13.3 of this Part 16) and the Investment Advisory Agreement (details of which are set out in paragraph 13.2 of this Part 16) the Company has not entered into any related party transactions between the date of incorporation and the date of this document.

20 **Consents**

- 20.1 The Valuer has given and not withdrawn its written consent to the inclusion of its valuation report in this document in the form and context in which it appears, and has authorised the

contents of those parts of this document which comprise its valuation report and the said reference for the purposes of Item 1.3 of Annex 3 to the PR Regulation.

20.2 Stifel has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

20.3 The AIFM has given and not withdrawn its written consent to the Initial issue of this document with references to its name in the form and context in which such references appear.

20.4 The Investment Adviser accepts responsibility for and has authorised the inclusion (in the form and context in which it is included) of the information contained in Part 9 of this document, and declares that the information contained in Part 9 of this document is, to the best of its knowledge, in accordance with the facts and Part 9 of this document makes no omission likely to affect its import.

21 Documents available for inspection

21.1 Copies of the following documents will be available for inspection at the registered address of the Company and www.supermarketincomereit.com for the term of this document:

21.2 the Articles of Association;

21.3 the Valuation Report and the Valuation Services Schedule referred to within it;

21.4 the written consents referred to in paragraph 20 of this Part 16; and

21.5 this document.

Dated: 12 September 2019

PART 17

GLOSSARY OF TERMS AND DEFINITIONS

The following terms apply throughout this document unless the context otherwise requires

“Admission”	the admission of the New Ordinary Shares to trading on the SFS becoming effective in accordance with the Admission and Disclosure Standards;
“2018 AGM”	the annual general meeting of the Company held on 6 November 2018;
“2018 Annual Report and Accounts”	the Company’s annual report and accounts from the date of incorporation to 30 June 2018;
“2019 Annual Report and Accounts”	the Company’s annual report and accounts for the financial year ending on 30 June 2019;
“90 Per Cent Distribution Condition”	the condition described at paragraph 3.6 of Part 13 of this document;
“Accredited Investor”	as defined in Rule 501 of Regulation D under the Securities Act;
“Adjusted NAV”	(i) in relation to the monthly fee payable to the Investment Adviser, the last published NAV (subject to adjustment for material changes) less uninvested proceeds from equity issues on the last date of the calendar month to which the monthly fee relates; and (ii) in relation to the semi-annual fee payable to the Investment Adviser, the published NAV relating to the last day of the six month period to which the semi-annual fee relates, less uninvested proceeds from equity issues on such date;
“Administration and Company Secretarial Agreement”	the administration agreement between the Company and the Administrator, a summary of which is set out at paragraph 13.5 of Part 16 of this document;
“Administrator”	JTC (UK) Limited;
“Admission and Disclosure Standards”	the requirements contained in the publication “Admission and Disclosure Standards” issued by the London Stock Exchange (as amended from time to time) containing, <i>inter alia</i> , the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s market for listed securities
“AIC”	the Association of Investment Companies;
“AIC Code”	The AIC Code of Corporate Governance;
“AIF”	an alternative investment fund within the meaning of the AIFM Directive;
“AIFM”	when used in a general context, an alternative investment fund manager within the meaning of the AIFM Directive; or when used in respect of the Company, its alternative investment fund manager, JTC Global AIFM Solutions Limited;
“AIFM Agreement”	the AIFM agreement between the Company and the AIFM, a summary of which is set out at paragraph 13.3 of Part 16 of this document;
“AIFM Directive”	the Alternative Investment Fund Managers Directive, 2011/61/EU, as amended;
“AIFM Regulations”	the Alternative Investment Fund Managers Regulations 2013, as amended from time to time;

“Applicant”	a person or persons (in the case of joint applicants) whose name(s) appear(s) on the registration details of an Application Form;
“Application Form”	the application form set out in Part 21 of this document for use in connection with the Offer for Subscription;
“Articles of Association” or “Articles”	the articles of association of the Company in force from time to time;
“Bayerische Facility”	the Company’s £52,100,000 term loan credit facility with Bayerische Landesbank, details of which were announced via RIS on 19 July 2018;
“Board”	the board of Directors;
“Business Day”	any day where the banks in England and Wales and the London Stock Exchange are normally open for business;
“certificated” or “in certificated form”	not in uncertificated form;
“Chairman”	the chairman of the Company;
“Closing Price”	the closing middle market quotation of an Existing Ordinary Share on the Business Day prior to the date of announcement of the Initial Issue;
“Code”	US Internal Revenue Code of 1986, as amended;
“Company” or “Supermarket Income REIT”	Supermarket Income REIT plc (with registered number 10799126) whose registered office is at 7 th Floor, 9 Berkeley Street, London W1J 8DW or any wholly-owned (direct or indirect) subsidiary of Supermarket Income REIT plc (as the context may admit);
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Company Secretary”	JTC (UK) Limited;
“CPI”	the UK consumer prices index as calculated and published by the Office for National Statistics on a monthly basis that measures the change in the cost of goods and services bought by UK households;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (also as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
“CRS”	the United Kingdom’s International Tax Compliance Regulations 2015 (SI 2015/878), the Common Standard on Reporting Due Diligence for Financial Account Information published by the OECD and the EU Directive on administrative co-operation in the field of taxation (2011/16/EC), together with any forms, instructions or other guidance issued thereunder now or in the future);
“CTA 2010”	the Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force;
“Directors”	the directors of the Company whose names are set out in Part 3 of this document (each a “Director”#)
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA pursuant to Part VI of FSMA, as amended from time to time
“EEA”	the European Economic Area

“Enlarged Share Capital”	the Existing Ordinary Shares together with the New Ordinary Shares to be issued pursuant to the Initial Issue;
“EPRA”	the European Public Real Estate Association;
“ERISA”	the US Employee Retirement Income Security Act of 1974, as amended from time to time;
“ESMA”	European Securities and Market Authority;
“EU” or “European Union”	each of the member states of the European Union which are a party to (i) the Treaty on the European Union and the Treaty on the Functioning of the European Union 2012/C 236/01; and (ii) the Treaty Establishing the European Atlantic Energy Community 2012/C 327/01;
“Euroclear”	Euroclear UK & Ireland Limited, a company registered in England and Wales under registered number 02878738;
“Exchange Act”	the US Securities Exchange Act of 1934, as amended;
“Existing Ordinary Shares”	the existing Ordinary Shares in issue as at the date of this document;
“Facilities”	the RCF, the Bayerische Facility and Dekabank Facility;
“FATCA”	sections 1471 to 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any US or non-US fiscal or regulatory legislation rules, guidance notes or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code or analogous provisions of non-US law;
“FCA”	the UK Financial Conduct Authority (or any successor regulatory organisation);
“Form of Proxy”	the form of proxy provided with this document in connection with the General Meeting
“FRC”	the UK Financial Reporting Council;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“General Meeting”	the general meeting of the Company proposed to be held at 3.00 p.m. on 1 October 2019 to consider the Resolutions, the notice of which (being the Notice of General Meeting) is set out in the Appendix to this document;
“Gross Asset Value” or “GAV”	the aggregate value of the total assets of the Company as determined with the accounting principles adopted by the Company from time to time;
“Gross Initial Issue Proceeds”	the gross proceeds of the Initial Issue;
“Gross Issue Proceeds”	the gross proceeds of the Initial Issue and the Placing Programme;
“HMRC”	Her Majesty’s Revenue and Customs;
“IAS”	an international accounting standard established by the International Accounting Standards Board;
“IFRS”	International Financial Reporting Standards as adopted by the European Commission for use in the European Union
“Initial Issue”	the Placing and Offer for Subscription;
“Investment Adviser”	Atrato Capital Limited;

"Investment Advisory Agreement"	the investment advisory agreement between the Company and the Investment Adviser, a summary of which is set out at paragraph 13.2 of Part 16 of this document;
"Investment Company Act"	the US Investment Company Act of 1940, as amended;
"Investment Committee"	the investment committee of the Investment Adviser comprising, at the date of this document, Ben Green, Steve Windsor and Steven Noble;
"Investment Policy"	the investment policy of the Company as detailed in paragraph 5 of Part 8 of this document;
"IPO"	the initial public offering of the Company on the Specialist Fund Segment on 21 July 2017;
"IPO Issue Price"	100 pence per Ordinary Share issued at the IPO;
"IRS"	US Internal Revenue Service;
"ISIN"	International Securities Identification Number;
"Issue Price"	102 pence per New Ordinary Share;
"Listing Rules"	the rules and regulations made by the FCA pursuant to Part VI FSMA, as amended from time to time;
"London Stock Exchange" or "LSE"	London Stock Exchange plc;
"Management Services Agreement"	the agreement entered into between the Company and its subsidiaries for the onward supply of services by the Company;
"Market Abuse Regulation" or "MAR"	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
"Member State"	a member state of the European Union;
"MiFID"	Markets in Financial Instruments Directive;
"Money Laundering Regulations"	has the meaning given to it in paragraph 4.1.28 in Part 18 of this document;
"Net Asset Value" or "NAV"	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 Asset Value per Share" or "NAV per Share"	at any time, the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation;
"Net Issue Proceeds"	the Gross Issue Proceeds less applicable fees and expenses of the Initial Issue and the Placing Programme;
"New Ordinary Shares"	new Ordinary Shares to be issued pursuant to the Initial Issue;
"Non-Qualified Holder"	any person whose ownership of shares may: <ul style="list-style-type: none"> (a) cause the Company's assets to be treated as "plan assets" under the Plan Asset Regulations for purposes of ERISA or the Code; (b) cause the Company to be required to register as an "investment company" under the Investment Company Act; (c) cause the Company or any of its securities to be required to register under the Exchange Act, the Securities Act or any similar legislation;

- (d) cause the Company not to be considered a “foreign private issuer” as such term is defined in rule 3b-4(c) under the Exchange Act;
- (e) cause Atrato Capital LLP to be required to register as a municipal Adviser under the Exchange Act;
- (f) result in the Company being disqualified from issuing securities pursuant to Rule 506 of Regulation D under the Securities Act;
- (g) result in a person holding ordinary shares (for the purposes of this definition of Non-Qualified Holder, an ordinary share being defined as an ordinary share of no par value in the capital of the Company issued and designated as an ordinary share of such class as may be determined by the Directors at the time of issue) in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; or
- (h) cause the Company to:

be a “controlled foreign corporation” for the purposes of Section 957 of the Code; or

suffer any pecuniary or tax disadvantage,

and (for the avoidance of doubt) includes or any person who is deemed to be a Non-Qualified Holder pursuant to Article 15.12 of the Articles of Association;

“Notice of General Meeting”	the notice of General Meeting set out in the Appendix to this document;
“Offer for Subscription”	the offer for subscription of New Ordinary Shares at the Issue Price on the terms set out in the Summary and this document;
“Official List”	the Official List of the FCA;
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company;
“Overseas Shareholders”	Shareholders who are resident in, ordinarily resident in, located in or citizens of, jurisdictions outside the United Kingdom;
“Placee”	a placee under the Placing;
“Placing”	the conditional placing of Ordinary Shares by Stifel at the Issue Price pursuant to the Placing Agreement as described in, and on the terms set out in this document;
“Placing Agreement”	the placing agreement between the Company, the Investment Adviser and Stifel, a summary of which is set out at paragraph 13.1 of Part 16 of this document;
“Placing Programme”	the programme under which the Company intends to issue Ordinary Shares in Tranches on the terms set out in this document (and any supplement to this document);
“Placing Programme Shares”	new Ordinary Shares to be issued pursuant to the Placing Programme;
“Plan Asset Regulations”	the regulations promulgated by the United States Department of Labor at 29 CFR 2510.3-101, as modified by Section 3(42) of ERISA;
“Portfolio”	the investment portfolio of the Company, details of which are set out in Part 10 of this document;

"PRIIPs Regulation"	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 and its implementing and delegated acts;
"Property Rental Business"	the qualifying property rental business in the UK and elsewhere of the REIT Group;
"Prospectus Regulation"	EU Prospectus Regulation (2017/1129/EU), as amended, including any relevant implementing measure
"Prospectus Regulation Rules"	the prospectus regulation rules made by the FCA pursuant to Part VI FSMA, as amended from time to time;
"PR Regulation"	Commission delegated regulation (EU) 2019/980 supplementing the Prospectus Regulation;
"Qualified Purchaser"	as defined in Section 2(a)(51) of the Investment Company Act;
"RCF"	the Company's revolving credit facility (as amended) of £100 million from HSBC Bank plc, details of which were announced via RIS on 30 August 2017;
"Receiving Agent"	Link Asset Services;
"Receiving Agent Agreement"	the receiving agent agreement between the Company and the Receiving Agent, as more particularly described in paragraph 13.7 of Part 16 of this document;
"Registrar"	Link Asset Services;
"Registrar Agreement"	the registrar agreement between the Company and the Registrar, a summary of which is set out at paragraph 13.6 of Part 16 of this document;
"Regulation D"	Regulation D under the Securities Act;
"Regulation S"	Regulation S under the Securities Act;
"REIT"	a company or group to which Part 12 CTA 2010 applies;
"REIT Group"	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;
"Relevant Member State"	each member state of the EEA to which the Prospectus Regulation applies;
"Resolutions"	the resolutions to be proposed at the General Meeting (and set out in the Notice of General Meeting) to approve the allotment of (i) New Ordinary Shares pursuant to the Initial Issue and (ii) Ordinary Shares pursuant to the Placing Programme;
"Restricted Jurisdiction"	any jurisdiction, including but not limited to Australia, Canada, the Republic of South Africa, Japan and the United States, where the extension or availability of the Initial Issue (and any other transaction contemplated thereby) would (i) result in a requirement to comply with any governmental or other consent or any registration filing or other formality which the Company regards as unduly onerous; or (ii) otherwise breach any applicable law or regulation;
"Restricted Shareholders"	subject to certain exceptions, Shareholders who have registered addresses in, or who are incorporated in, registered in or otherwise resident or located in, the United States or any other Restricted Jurisdiction;
"RICS"	Royal Institute of Chartered Surveyors;

“RIS” or “Regulatory Information Service”	any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in the Listing Rules;
“RIS announcement”	an announcement by an RIS;
“RPI”	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;
“RPIX”	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, excluding mortgage interest payments;
“Rule 144A”	Rule 144A under the Securities Act;
“Rules”	the rules, including any manuals, issued from time to time by an Operator (as defined in the CREST Regulations) governing the admission of securities to and the operation of the relevant system managed by such an Operator;
“SDLT”	UK stamp duty land tax;
“SDRT”	UK stamp duty reserve tax;
“Securities Act”	the US Securities Act of 1933, as amended;
“Securities and Exchange Commission” or “SEC”	the US Securities and Exchange Commission;
“SEDOL”	Stock Exchange Daily Official List;
“Senior Adviser”	Morgan Williams;
“Senior Advisory Agreement”	the senior advisory agreement between the Company and the Senior Adviser, as more particularly described in paragraph 13.4 of Part 16 of this document;
“SFS” or “Specialist Fund Segment”	the Specialist Fund Segment of the Main Market of the London Stock Exchange;
“Shareholder”	a holder of an Ordinary Share (together “Shareholders”);
“Stifel”	Stifel Nicolaus Europe Limited, the Company’s sole bookrunner, financial adviser and placing agent;
“Substantial Shareholder”	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause any member of the REIT Group to be liable to pay tax under section 551 of the CTA 2010 (as such section may be modified, supplemented or replaced from time to time) on or in connection with the making of a dividend or other distribution on or in respect of Ordinary Shares to or in respect of such person including, at the date of adoption of the Articles, any holder of excessive rights as defined in section 553 CTA 2010;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Takeover Panel”	the Panel on Takeovers and Mergers;
“Tranche”	a tranche of Placing Programme Shares issued under the Placing Programme (together “Tranches”);
“UK Corporate Governance Code”	the corporate governance code dated July 2018 and issued by the Financial Reporting Council;
“UK Property Portfolio”	the portfolio of properties and debt receivables that the Company will acquire from time to time;

“UK Property Rental Business”	the qualifying property rental business in the UK and elsewhere of UK resident companies within the REIT Group and the qualifying property rental business in the UK of non-UK resident companies within the REIT Group (to the extent that any such non-UK resident companies are incorporated);
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“US holder”	a beneficial owner of New Ordinary Shares or Placing Programme Shares that is for US federal income tax purposes: (i) a citizen or resident alien of the United States; (ii) a corporation or other entity treated as a corporation of US federal income tax purposes created or organised in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) an estate, the income of which is subject to US federal income tax regardless of its source; (iv) a trust if (a) a court within the United States is able to exercise primary supervision over its administration and (b) one or more of the United States persons (as defined in the Code) have the authority to control all of the substantial decisions of such trust;
“US Person”	has the meaning given to it under Regulation S;
“Valuer”	Debenham Tie Leung Limited (trading as Cushman & Wakefield); and
“VAT”	UK value added tax.

PART 18

TERMS OF AND CONDITIONS TO THE PLACING

1 Introduction

- 1.1 Each Placee which confirms its agreement to the Company and/or Stifel to subscribe for New Ordinary Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 The Company and/or Stifel may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit.

2 Agreement to subscribe for New Ordinary Shares

Conditional on: (i) Admission becoming effective by not later than 8.00 a.m. (London time) on 7 October 2019 (or such time and/or later date as may be provided for in accordance with the terms of the Placing Agreement); (ii) the Placing Agreement becoming otherwise unconditional in all respects (save for the condition therein relating to Admission and any conditions therein relating to the Placing Programme), and not being terminated in accordance with its terms before Admission; (iii) satisfaction of the conditions set out in Part 6 of this document; and (iv) Stifel confirming to the Placees their allocation of New Ordinary Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those New Ordinary Shares allocated to it by Stifel at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3 Payment for New Ordinary Shares

- 3.1 Each Placee must pay the Issue Price in full for the New Ordinary Shares issued to such 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 required, the relevant Placee's application for New Ordinary Shares may, at the discretion of Stifel, either be rejected or accepted and in the latter case paragraph 3.2 of these terms and conditions shall apply.
- 3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the full Issue Price for the New Ordinary Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Stifel elects to accept that Placee's application, Stifel may use its reasonable endeavours to sell all or any of the New Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Stifel's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges or any other liability whatsoever (together with any interest or penalties) which may arise upon the sale of such New Ordinary Shares on such Placee's behalf.

4 Representations and warranties

- 4.1 By agreeing to subscribe for New Ordinary Shares, each Placee which enters into a commitment to subscribe for New Ordinary Shares will (for itself and any person(s) procured by it to subscribe for New Ordinary Shares and any nominee(s) for any such person(s)) be deemed to acknowledge, understand, undertake, represent and warrant to each of the Company, the Investment Adviser and Stifel that:
 - 4.1.1 in agreeing to subscribe for New Ordinary Shares under the Placing, it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company or the Placing. It agrees that none of the Company, the Investment Adviser, Stifel or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
 - 4.1.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for New Ordinary Shares under the Placing, it

warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory or jurisdiction and that it has not taken any action or omitted to take any action which will or might reasonably be expected to result in the Company, the Investment Adviser, Stifel or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;

- 4.1.3 it has carefully read and understands this document and any supplementary prospectus issued prior to Admission in its entirety and acknowledges that it is acquiring New Ordinary Shares on the terms and subject to the conditions set out in these terms and conditions and the Articles of Association as in force at the date of Admission;
- 4.1.4 it has not relied on Stifel or any person affiliated with Stifel in connection with any investigation of the accuracy of any information contained in this document;
- 4.1.5 the content of this document and any supplementary prospectus issued by the Company is exclusively the responsibility of the Company and its Directors and neither Stifel nor any person acting on their respective behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document and any supplementary prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this document or otherwise;
- 4.1.6 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and any supplementary prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Adviser or Stifel;
- 4.1.7 it acknowledges the price per New Ordinary Share is fixed at the Issue Price and is payable to Stifel on behalf of the Company in accordance with the terms of this Part 18;
- 4.1.8 it has the funds available to pay in full for the New Ordinary Shares it has agreed to subscribe for pursuant to its placing commitments and it will pay the total subscription in accordance with these terms set out in this Part 18;
- 4.1.9 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.1.10 it accepts that none of the Ordinary Shares or New Ordinary Shares have been or will be registered under the laws of the United States, Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction where the exclusion or availability of the Placing would breach any applicable law. Accordingly, Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the United States, Australia, Canada, the Republic of South Africa or Japan unless an exemption from any registration requirement is available;
- 4.1.11 it acknowledges that (i) the Company believes that it may be treated as a “passive foreign investment company” and/or a “controlled foreign corporation” for US federal income tax purposes for its current or any future taxable year, (ii) it understands that there may be certain adverse US tax consequences to such classifications, and (iii) it will seek its own independent specialist advice with respect to the impact of these possible classifications and other US tax consequences to it of investing in the New Ordinary Shares;

- 4.1.12 if it is within the United Kingdom, it is: (i) a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the New Ordinary Shares may otherwise lawfully be offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the New Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations; or (ii) a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;
- 4.1.13 it (i) is entitled to subscribe for New Ordinary Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for New Ordinary Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations thereby;
- 4.1.14 if it is a resident in the EEA (other than the United Kingdom), (a) it is a qualified investor as defined under the Prospectus Regulation; and (b) if that relevant Member State has implemented the AIFMD, that it is a person to whom the New Ordinary Shares may lawfully be marked under the AIFMD or under the applicable implementing legislation (if any) of that relevant Member State;
- 4.1.15 in the case of any New Ordinary Shares acquired by a Placee as a financial intermediary within the EEA (other than the United Kingdom) as that term is used in the Prospectus Regulation (i) the New Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of Stifel has been given to the offer or resale; or (ii) where New Ordinary Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
- 4.1.16 if it is outside the United Kingdom, neither this document and any supplementary prospectus issued by the Company nor any other offering, marketing or other material in connection with the Placing or New Ordinary Shares constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and New Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.1.17 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.1.18 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for New Ordinary Shares under the Placing and will not be any such person on the date any such agreement to subscribe under the Placing is accepted;
- 4.1.19 it has complied and will comply with all applicable provisions of the Criminal Justice Act 1993 and the Market Abuse Regulation with respect to anything done by it in relation to the Placing and/or New the Ordinary Shares;
- 4.1.20 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document (or any supplementary prospectus issued by the

Company) or any other offering materials concerning the Placing or the New Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;

- 4.1.21 it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading “United States Purchase and Transfer Restrictions” in paragraph 5 of this Part 18 below;
- 4.1.22 it acknowledges that neither Stifel nor any of its respective affiliates, nor any person acting on Stifel's behalf is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and its participation in the Placing is on the basis that it is not and will not be a client of Stifel and that Stifel does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing;
- 4.1.23 that, save in the event of fraud on the part of Stifel, neither Stifel, nor its respective ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to a Placee or any of its clients for any matter arising out of Stifel's role as sole bookrunner, financial adviser and placing agent or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients will immediately and irrevocably waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 4.1.24 it acknowledges that where it is subscribing for New Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account; (i) to subscribe for the New Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Stifel. It agrees that the provision of this paragraph shall survive any resale of the New Ordinary Shares by or on behalf of any such account;
- 4.1.25 if it is acting as a “distributor” (for the purposes of the MiFID II product governance requirements):
 - 4.1.25.1 it acknowledges that the target market assessment undertaken by Stifel 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 Ordinary Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution chains;
 - 4.1.25.2 notwithstanding any target market assessment undertaken by Stifle, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such Ordinary Shares with the end target market;
 - 4.1.25.3 it acknowledges that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the 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; and

- 4.1.25.4 it agrees that if so required by Stifel, it shall provide aggregate summary information on sales of the Ordinary Shares as contemplated under rule 3.3.30(R) of the PROD Sourcebook and information on the reviews carried out under rules 3.3.26(R) to 3.3.28(R) of the PROD Sourcebook;
- 4.1.26 it irrevocably appoints any director of the Company and any director of Stifel to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the New Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- 4.1.27 it accepts that if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the New Ordinary Shares for which valid applications are received and accepted are not admitted to trading on the SFS for any reason whatsoever then neither Stifel, nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.1.28 in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the “**Money Laundering Legislation**”) and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2015/849 of the European Parliament and of the EC Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the “**Money Laundering Directive**”), together with any regulations and guidance notes issued pursuant thereto; or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.1.29 it acknowledges that due to anti-money laundering requirements, Stifel and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Stifel and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Stifel and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;
- 4.1.30 it acknowledges and agrees that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice, which is available for review on the Company’s website www.supermarketincomereit.com (the “**Privacy Notice**”), including for the purposes set out below (collectively, the “**Purposes**”), being to:

- 4.1.30.1 process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with the Placee's holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on the Placee;
- 4.1.30.2 communicate with the Placee as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
- 4.1.30.3 comply with the legal and regulatory obligations of the Company and/or the Registrar; and
- 4.1.30.4 process the personal data for the Registrar's internal administration;
- 4.1.31 in order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
 - 4.1.31.1 third parties located either within or outside the EEA if necessary for the Registrar to perform its functions or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
 - 4.1.31.2 its affiliates, the Company (in the case of the Registrar) or the AIFM or the Investment Adviser and their respective associates, some of which may be located outside of the EEA;
- 4.1.32 any sharing of personal data by the Company or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company's Privacy Notice;
- 4.1.33 by becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined in the DP Legislation). In providing the Registrar with information, it hereby represents and warrants to the Registrar that it has (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, it has obtained the consent of any data subject to the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above);
- 4.1.34 it acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where it is not a natural person it represents and warrants that:
 - 4.1.34.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account it may act or whose personal data will be disclosed to the Company as a result of it agreeing to subscribe for Ordinary Shares; and
 - 4.1.34.2 it has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company;
- 4.1.35 where it acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
 - 4.1.35.1 comply with all applicable data protection legislation;
 - 4.1.35.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to, the personal data;

- 4.1.35.3 if required, agree with the Company and the Registrar the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- 4.1.35.4 immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect loss and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above;
- 4.1.36 Stifel and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.1.37 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Stifel and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the New Ordinary Shares are no longer accurate, it shall promptly notify Stifel and the Company;
- 4.1.38 where it or any person acting on behalf of it is dealing with Stifel, any money held in an account with Stifel on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Stifel to segregate such money, as that money will be held by Stifel under a banking relationship and not as trustee;
- 4.1.39 any of its clients, whether or not identified to Stifel, will remain its sole responsibility and will not become clients of Stifel for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.1.40 it accepts that the allocation of New Ordinary Shares shall be determined by Stifel (following consultation with the Company and the Investment Adviser) in its absolute discretion and that Stifel may scale down any commitments for this purpose on such basis as it may determine;
- 4.1.41 it authorises Stifel to deduct from the total amount subscribed under the Placing the aggregation commission (if any) (calculated at the rate agreed with the Company) payable on the number of New Ordinary Shares allocated to it under the Placing; and
- 4.1.42 time shall be of the essence as regards its obligations to settle payment for the New Ordinary Shares and to comply with its other obligations under the Placing.

5 United States purchase and transfer restrictions

- 5.1 By participating in the Placing, each Placee located outside the United States acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for New Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Adviser and Stifel that:
 - 5.1.1 it is not a US Person, is not located in the US and it is acquiring the New Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the Ordinary Shares for the account or benefit of a US Person;
 - 5.1.2 it acknowledges that the New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration under, or an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act;

- 5.1.3 it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;
 - 5.1.4 if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its New Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles of Association;
 - 5.1.5 it is purchasing the New Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the New Ordinary Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
 - 5.1.6 it acknowledges that the Company reserves the right to make inquiries of any holder of the New Ordinary Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such New Ordinary Shares or interests in accordance with the Articles of Association;
 - 5.1.7 it acknowledges and understands that the Company is required to comply with FATCA and CRS and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA and CRS;
 - 5.1.8 it is entitled to acquire the New Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the New Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Adviser, Stifel or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing or its acceptance of participation in the Placing;
 - 5.1.9 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the New Ordinary Shares to within the United States or to any US Persons, nor will it do any of the foregoing; and
 - 5.1.10 if it is acquiring any New Ordinary Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- 5.2 By participating in the Placing, each Placee within the United States acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for New Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Adviser and Stifel as to each of paragraphs 5.1.2 – 5.1.10 above and that:
- 5.2.1 it is acquiring the New Ordinary Shares for its own account, does not have any contract, undertaking or arrangement with any person or entity to sell, transfer or grant a participation with respect to any of the New Ordinary Shares, and is not

acquiring the New Ordinary Shares with a view to or for sale in connection with any distribution of the New Ordinary Shares;

- 5.2.2 it or a purchaser representative, adviser or consultant relied upon by it in reaching a decision to subscribe has such knowledge and experience in financial, tax and business matters as to enable it or such adviser or consultant to evaluate the merits and risks of an investment in the Company and to make an informed investment decision with respect thereto;
- 5.2.3 it understands and agrees that the New Ordinary Shares (i) will be offered and sold to it in a transaction that will not be registered under the Securities Act or under any state law, (ii) have not been and will not be registered for offer or sale by it under the Securities Act or any state law, and (iii) may not be re-offered or resold except in accordance with the Securities Act and the rules and regulations thereunder, and all relevant state securities and blue sky laws, rules and regulations; and it understands that the Company has no intention to register the Company or the New Ordinary Shares with the SEC or any state securities commission and is under no obligation to assist it in obtaining or complying with any exemption from registration. The Company may require that any transferor furnish a legal opinion satisfactory to the Company and its counsel that the proposed transfer complies with any applicable federal, state and any other applicable securities laws. Appropriate stop transfer instructions may be placed with respect to the New Ordinary Shares and any certificates issued representing the New Ordinary Shares will contain the following legend:

THE NEW ORDINARY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IN ANOTHER TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF, THE UNITED STATES.

NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE NEW ORDINARY SHARES REPRESENTED HEREBY. THE NEW ORDINARY SHARES REPRESENTED HEREBY ARE “**RESTRICTED SECURITIES**” WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT AND FOR SO LONG AS SUCH NEW ORDINARY SHARES ARE “RESTRICTED SECURITIES”, THEY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ORDINARY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF ORDINARY SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

- 5.2.4 in formulating a decision to invest in the Company, it has not relied or acted on the basis of any representations or other information purported to be given on behalf of the Company except as set forth herein (it being understood that no person has been authorised by the Company to furnish any such representations or other information);
- 5.2.5 it recognises that there is currently no public market in the United States for the New Ordinary Shares and that such a market in the United States is not expected to develop; its overall commitment to the Company and other investments which are not readily marketable is not disproportionate to its net worth and it has no need for immediate liquidity in its investment in the New Ordinary Shares;

- 5.2.6 it can afford a complete loss of its investment in the Company and can afford to hold its investment in the Company for an indefinite period of time;
- 5.2.7 if it is not a “natural person,” it has not been and will not be formed or “recapitalised” for the specific purpose of purchasing the New Ordinary Shares and has substantial assets in addition to the funds to be used to purchase the New Ordinary Shares;
- 5.2.8 the New Ordinary Shares have not been offered to it by means of any general solicitation or general advertising or directed selling efforts by the Company or any person acting on its behalf, including without limitation (i) any advertisement, article, notice, or other communication published in any newspaper, magazine, or similar media or broadcast over television or radio, or contained on a website that is not password-protected, or (ii) any seminar or meeting to which it was invited by any general solicitation or general advertising or directed selling efforts;
- 5.2.9 it is a QIB, an Accredited Investor and a Qualified Purchaser;
- 5.2.10 it has been given the opportunity to (A) ask questions of, and receive answers from the Company concerning the terms and conditions of the Placing and other matters pertaining to an investment in the Company and (B) obtain any additional information that the Company can acquire without unreasonable effort or expense as it may require to evaluate the merits and risks of an investment in the Company, and all such questions, to the extent it has considered them material, have been answered;
- 5.2.11 it understands that no United States federal or state agency has passed upon the merits or risks of an investment in the New Ordinary Shares or made any finding or determination concerning the fairness or advisability of this investment; and
- 5.2.12 if all or part of the funds that it is using or will use to acquire New Ordinary Shares are assets of an employee benefit plan (as defined in Section 3(3) of ERISA subject to Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code, or an entity whose underlying assets include plan assets for purposes of ERISA or Section 4975 of the Code by reason of a plan’s investment in the entity:
 - 5.2.12.1 (i) its acquisition of New Ordinary Shares is permissible under the documents governing the investment of such plan assets; (ii) it has concluded that the acquisition of New Ordinary Shares is consistent with applicable fiduciary responsibilities under ERISA including ERISA’s prudence and diversification requirements if applicable and other applicable law; and (iii) its acquisition and the subsequent holding of New Ordinary Shares do not and will not constitute a non-exempt “prohibited transaction” within the meaning of Section 406 of ERISA or Section 4975 of the Code.

6 Supply and disclosure of information

If Stifel or the Registrar or the Company or any of their agents request any information about a Placee’s agreement to subscribe for New Ordinary Shares under the Placing, such Placee must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

7 Miscellaneous

- 7.1 The rights and remedies of the Company, the Investment Adviser, Stifel and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 7.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee’s risk. They may be returned by post to such Placee at the address notified by such Placee.
- 7.3 Each Placee agrees to be bound by the Articles of Association (as amended from time to time) once the New Ordinary Shares, which the Placee has agreed to subscribe for pursuant

to the Placing, have been acquired by the Placee. The contract to subscribe for New Ordinary Shares under the Placing and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Adviser, Stifel and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

- 7.4 In the case of a joint agreement to subscribe for New Ordinary Shares under the Placing, references to a **"Placee"** in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Stifel and the Company expressly reserve the right to modify the Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated.

PART 19

TERMS OF AND CONDITIONS TO THE OFFER FOR SUBSCRIPTION

1 Introduction

- 1.1 These terms and conditions apply to persons agreeing to subscribe for New Ordinary Shares under the Offer for Subscription at a price of 102 pence per New Ordinary Share. The New Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2 Applications to acquire New Ordinary Shares (an “**Application**”) must be made on the Application Form attached at Part 21 to this document or otherwise published by the Company.
- 1.3 Each person to whom these terms and conditions apply, as described above, who confirms its agreement to the Receiving Agent to subscribe for New Ordinary Shares (an “**Investor**”) hereby agrees with Stifel, the Company, the Investment Adviser and the Receiving Agent to be bound by these terms and conditions as being the terms and conditions upon which New Ordinary Shares will be issued and sold under the Offer for Subscription. An Investor shall, without limitation, become so bound if Stifel or the Receiving Agent on behalf of the Company confirms to the Investor its allocation of New Ordinary Shares.

2 Acceptance of your offer

- 2.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional on:
 - 2.1.1 Admission occurring on or prior to 8.00 a.m. on 7 October 2019 (or such later time and/or date as the Company and Stifel may agree, not being later than 8.00 a.m. on 4 November 2019); and
 - 2.1.2 the Placing Agreement becoming otherwise unconditional in all respects (save for the condition therein relating to Admission and in respect of any condition which relates to the Placing Programme) and not having been terminated in accordance with its terms prior to Admission.
- 2.2 To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not exercise any remedy of rescission, termination or withdrawal at any time after acceptance. This does not affect any other rights such Investor may have.

3 Payment for New Ordinary Shares

- 3.1 Each Investor undertakes to pay the Issue Price in full for the New Ordinary Shares issued under the Offer for Subscription to such Investor in such manner as shall be directed by Stifel. Liability for stamp duty and SDRT is described in the section entitled “**Stamp Duty and Stamp Duty Reserve Tax**” contained in paragraph 7.7 of Part 13 of this document. The Company will not charge Investors any separate costs, expenses or taxes in connection with the Issue. The Company will bear the costs and expenses of the Initial Issue.
- 3.2 In the event of any failure by any Investor to pay as so directed by the Receiving Agent, the relevant Investor shall be deemed hereby to have appointed the Investment Adviser or any nominee thereof to sell (in one or more transactions) any or all of the New Ordinary Shares in respect of which payment shall not have been made as directed by the Investment Adviser and to have agreed to indemnify on demand the Investment Adviser in respect of any liability for stamp duty and/or SDRT arising in respect of any such sale or sales.
- 3.3 To ensure compliance with the Money Laundering Regulations, the Company (or any of its agents) may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment. If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Company (or any of its agents). Failure to provide the necessary evidence of identity within a reasonable time may result in delays or applications being rejected.

- 3.4 The person lodging the Application Form with payment and in accordance with the other terms as described above, including any person who appears to the Company (or any of its agents) to be acting on behalf of some other person, accepts the Offer for Subscription in respect of such number of offered New Ordinary Shares as is referred to therein and shall thereby be deemed to agree to provide the Company (or any of its agents) with such information and other evidence as the Company (or any of its agents) may require to satisfy the verification of identity requirements.
- 3.5 Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Administrator and the Receiving Agent from the Applicant that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:
- 3.5.1 if the Applicant is an organisation required to comply with the Money Laundering Directive (2015/849 of the European Parliament and of the EC Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing); or
 - 3.5.2 if the Applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
 - 3.5.3 if the aggregate subscription price for the offered Ordinary Shares is less than €15,000 (approximately £13,600).
- 3.6 If the Application Form(s) is/are in respect of New Ordinary Shares with an aggregate subscription price of more than €15,000 (approximately £13,600) and is/are lodged by hand by the Applicant in person, or if the Application Form(s) in respect of New Ordinary Shares is/are lodged by hand by the Applicant and the accompanying payment is not the Applicant's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.
- 3.7 If, within a reasonable period of time following a request for verification of identity, and in any case by 11.00 a.m. on 1 October 2019, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, as agent of the Company and upon instruction from the Company, reject the relevant Application, in which event the monies submitted in respect of that Application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).
- 3.8 All payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or a building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by those companies or committees: cheques and banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to **"Link Market Services Ltd Re: Supermarket Income REIT plc – 2019 OFS A/C"** in respect of an Application and crossed "A/C Payee Only". Cheques should be for the full amount payable on Application. Post-dated cheques and payment via CHAPS, BACS or electronic transfer will not be accepted.
- 3.9 Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form.
- 3.10 The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above):
- 3.10.1 Applicants should make payment by a cheque drawn on an account in their own name from a UK bank account and write their name and address on the back of the

banker's draft or cheque and, in the case of an individual, record his date of birth against his name; banker's drafts should be duly endorsed by the bank or building society on the reverse of the cheque as described above; and

- 3.10.2 if an Applicant makes the Application as agent for one or more persons, he should indicate on the Application Form whether he is a UK or EU-regulated person or institution (for example a bank or stockbroker) and specify his status. If an Applicant is not a UK or EU-regulated person or institution, he should contact the Receiving Agent.

4 Representations and warranties

- 4.1 By completing an Application Form, each Investor and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation, is deemed to represent and warrant to the Company that:

- 4.1.1 you will offer to subscribe for the number of New Ordinary Shares specified in your Application Form (or such lesser number for which your Application is accepted) on the terms of and subject to this document (and any supplementary prospectus published by the Company), including these terms and conditions, and subject to the Articles of Association;
- 4.1.2 in consideration of the Company agreeing to process your Application, your Application cannot be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand during normal business hours only) on receipt by, the Receiving Agent of your Application Form;
- 4.1.3 your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive the New Ordinary Shares until you make payment in cleared funds for the New Ordinary Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, and the Receiving Agent, against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such New Ordinary Shares and may issue or allot such New Ordinary Shares to some other person, in which case you will not be entitled to any payment in respect of such New Ordinary Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;
- 4.1.4 (i) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations and (ii) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
- 4.1.5 you undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;
- 4.1.6 in respect of those New Ordinary Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;
- 4.1.7 you authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) is/are placed on the register of members of the Company in respect of such New Ordinary Shares and to send a crossed cheque for any monies returnable by post without interest, at the risk of the persons

entitled thereto, to the address of the person (or in the case of joint holders the first-named person) named as an Applicant in the Application Form;

- 4.1.8 you acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this document (and any supplementary prospectus published by the Company) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Receiving Agent, or any of their affiliates or any other person;
- 4.1.9 if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney, or a copy thereof duly certified by a solicitor or bank, with the Application Form;
- 4.1.10 all Applications, acceptances of Applications and contracts resulting from such acceptances shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 4.1.11 in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in this document and any supplementary prospectus and, accordingly, you agree that no person (responsible solely or jointly for this document or any part thereof or involved in the preparation thereof) shall have any liability for any such information or representation;
- 4.1.12 your Application is made solely on the terms of this document (and any supplementary prospectus published by the Company) and subject to the Articles of Association;
- 4.1.13 you irrevocably authorise the Company or any person authorised by it to do all things necessary to effect registration of any New Ordinary Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such New Ordinary Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
- 4.1.14 having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations concerning the Company and the New Ordinary Shares contained therein;
- 4.1.15 you have reviewed the restrictions contained in these terms and conditions;
- 4.1.16 if you are an individual, you are not under the age of 18;
- 4.1.17 all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
- 4.1.18 in connection with your Application you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company or any person responsible solely or jointly for the prospectus or any part of its or involved in the preparation thereof acting in breach of the regulatory or legal requirements of any territory (including in particular FSMA) in connection with the Offer for Subscription or your Application;

- 4.1.19 save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, you are not a resident of the United States, Australia, Canada, the Republic of South Africa or Japan;
- 4.1.20 on request by the Company or the Receiving Agent on behalf of the Company, to disclose promptly in writing to the Company or the Receiving Agent any information which the Company or the Receiving Agent may reasonably request in connection with your Application, and authorise the Company or the Receiving Agent on behalf of the Company to disclose any information relating to your Application as it considers appropriate;
- 4.1.21 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for New Ordinary Shares under the Offer for Subscription, it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Adviser, Stifel or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Offer for Subscription;
- 4.1.22 you acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this document (and any supplementary prospectus published by the Company) and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Adviser or Stifel;
- 4.1.23 you are not applying as, nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.1.24 if you are outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Offer for Subscription constitutes an invitation, offer or promotion to, or arrangement with, you or any person whom you are procuring to subscribe for New Ordinary Shares pursuant to the Offer for Subscription unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to you or such person and such documents or materials could lawfully be provided to you or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by you or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.1.25 you do not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Ordinary Shares under the Offer for Subscription and you are not acting on a non-discretionary basis for any such person;
- 4.1.26 you have complied and will comply with all applicable provisions of the Criminal Justice Act 1993 and the Market Abuse Regulation with respect to anything done by it in relation to the Offer for Subscription and/or the New Ordinary Shares;
- 4.1.27 you accept that if the Offer for Subscription does not proceed or the conditions to the Placing Agreement are not satisfied, or become incapable of being satisfied, or the New Ordinary Shares for which valid applications are received and accepted are not admitted to listing and/or trading on the SFS of the Main Market of the LSE for any reason whatsoever then neither Stifel, nor the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

- 4.1.28 you acknowledge that (i) the Company believes that it may be treated as a “passive foreign investment company” and/or a “controlled foreign corporation” for US federal income tax purposes for its current or any future taxable year; (ii) you understand that there may be certain adverse US tax consequences to such classifications; and (iii) you will seek your own independent specialist advice with respect to the impact of these possible classifications and other US tax consequences to you of investing in the New Ordinary Shares;
- 4.1.29 you acknowledge and agree that you have been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar may hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice, which is available for review on the Company’s website www.supermarketincomereit.com (the “**Privacy Notice**”), including for the purposes set out below (collectively, the “**Purposes**”), being to:
- 4.1.29.1 process the personal data to the extent and in such manner as is necessary for the performance of its obligations under its service contract, including as required by or in connection with your holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on you;
 - 4.1.29.2 communicate with you as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - 4.1.29.3 comply with the legal and regulatory obligations of the Company and/or the Registrar; and
 - 4.1.29.4 process the personal data for the Registrar’s internal administration;
- 4.1.30 you acknowledge that in order to meet the Purposes, it will be necessary for the Company and the Registrar to provide personal data to:
- 4.1.30.1 third parties located either within or outside the EEA if necessary for the Registrar to perform its functions or when it is necessary for its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
 - 4.1.30.2 its affiliates, the Company (in the case of the Registrar) or the AIFM or the Investment Adviser and their respective associates, some of which may be located outside of the EEA;
- 4.1.31 you acknowledge that any sharing of personal data by the Company or the Registrar with other parties will be carried out in accordance with the DP Legislation and as set out in the Company’s Privacy Notice;
- 4.1.32 you represent and warrant to the Registrar and the Administrator that you have (i) notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and you have provided a copy of the Company’s Privacy Notice and any other data protection notice which has been provided by the Company and/or the Registrar; and (ii) where consent is legally required under applicable DP Legislation, you have obtained the consent of any data subject to the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above);
- 4.1.33 you acknowledge by submitting personal data to the Registrar and/or the Administrator (acting for and on behalf of the Company) where you are a natural person you have read and understood the terms of the Company’s Privacy Notice;

- 4.1.34 you acknowledge that by submitting personal data to the Registrar (acting for and on behalf of the Company) where you are not a natural person you represents and warrants that:
- 4.1.34.1 you have brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account you may act or whose persona data will be disclosed to the Company as a result of you agreeing to subscribe for Ordinary Shares; and
 - 4.1.34.2 you have complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company;
- 4.1.35 where you act for or on account of an underlying data subject or otherwise disclose the personal data of an underlying data subject, you shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
- 4.1.35.1 comply with all applicable data protection legislation;
 - 4.1.35.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to, the personal data;
 - 4.1.35.3 if required, agree with the Company and the Registrar the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
 - 4.1.35.4 immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect loss and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by you to comply with the provisions set out above;
- 4.1.36 you acknowledge that the key information document relating to the Company pursuant to the PRIIPs Regulation can be provided to you in paper or by means of a website but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the lodging of an Application Form represents your consent to being provided the key information document via the Company's website (www.supermarketincomereit.com) or on such website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which the key information document will be provided to you;
- 4.1.37 Stifel and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.1.38 the representations, undertakings and warranties contained in this document are irrevocable. You acknowledge that Stifel and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and you agree that if any of the representations or warranties made or deemed to have been made by its subscription of the New Ordinary Shares are no longer accurate, you shall promptly notify Stifel and the Company;
- 4.1.39 you irrevocably authorise the Company, or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any of the New Ordinary Shares subscribed for by or issued to you in your name and authorise any representatives of the Company and/or Receiving Agent to execute any documents required thereby and to enter your name on the register of members of the Company; and

- 4.1.40 you are not subscribing for the New Ordinary Shares having a loan which would not have been given to you or any associate, or not given to you on such favourable terms, if you had not been proposing to subscribe for the New Ordinary Shares.
- 4.2 If you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Offer for Subscription, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statements therein not misleading.
- 4.3 No person receiving a copy of this document or any supplementary prospectus issued by the Company and/or an Application Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Application Form could lawfully be used without contravention of any, or compliance with, any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for New Ordinary Shares under the Offer for Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection with any such Application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.
- 4.4 The New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons. The Company has not been and will not be registered as an “**investment company**” under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act. In addition, relevant clearances have not been, and will not be, obtained from the securities commission (or equivalent) of any province of the United States, Australia, Canada, the Republic of South Africa or Japan and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the New Ordinary Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in the United States, Australia, Canada, the Republic of South Africa or Japan. Unless the Company has expressly agreed otherwise in writing, you represent and warrant to the Company that you are not a US Person or a resident of the United States, Australia, Canada, the Republic of South Africa or Japan and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of the United States, Australia, Canada, the Republic of South Africa or Japan and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly, Ordinary Shares subscribed for by you in the United States, Australia, Canada, the Republic of South Africa or Japan or to any US Person or resident of the United States, Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, no Application will be accepted if it bears an address in the United States, Australia, Canada, the Republic of South Africa or Japan unless an appropriate exemption is available as referred to above.
- 4.5 The basis of allocation will be determined by Stifel (following consultation with the Company and the Investment Adviser), in its absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or allot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Application Form, including if the accompanying cheque or banker's draft is for the wrong amount.

5 United States purchase and transfer restrictions

- 5.1 Each subscriber of New Ordinary Shares in the Offer for Subscription and each subsequent investor in the New Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed as follows:
- 5.1.1 it is not a US Person, is not located within the United States and is not acquiring the New Ordinary Shares for the account or benefit of a US Person;

- 5.1.2 it is acquiring the New Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
- 5.1.3 it acknowledges that the New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the Securities Act;
- 5.1.4 it acknowledges that the Company has not been registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;
- 5.1.5 if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the New Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles of Association;
- 5.1.6 it is purchasing the New Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the New Ordinary Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- 5.1.7 it acknowledges that the Company reserves the right to make inquiries of any holder of the New Ordinary Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such New Ordinary Shares or interests in accordance with the Articles of Association;
- 5.1.8 it acknowledges and understands that the Company is required to comply with FATCA and CRS and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA and CRS;
- 5.1.9 it is entitled to acquire the New Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the New Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Adviser or Stifel, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Issue;
- 5.1.10 it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the New Ordinary Shares to within the United States or to any US Persons, nor will it do any of the foregoing;
- 5.1.11 if it is acquiring any New Ordinary Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account;

- 5.1.12 the Company, the AIFM, the Investment Adviser, Stifel, the Administrator and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements; and
 - 5.1.13 if all or part of the funds that it is using or will use to acquire New Ordinary Shares are assets of an employee benefit plan (as defined in Section 3(3) of ERISA subject to Title I of ERISA, or a plan described in Section 4975(e)(1) of the Code, or an entity whose underlying assets include plan assets for purposes of ERISA or Section 4975 of the Code by reason of a plan's investment in the entity:
 - 5.1.13.1 (i) its acquisition of New Ordinary Shares is permissible under the documents governing the investment of such plan assets; (ii) it has concluded that the acquisition of New Ordinary Shares is consistent with applicable fiduciary responsibilities under ERISA including ERISA's prudence and diversification requirements, if applicable and other applicable law; and (iii) its acquisition and the subsequent holding of New Ordinary Shares do not and will not constitute a non-exempt "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code.
 - 5.2 The Company, the Investment Adviser, Stifel, the Registrar and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.
- 6 Tax Residency Self-Certification**
- 6.1 In addition to completing and returning the Application Form to the Receiving Agent, you will also need to complete and return a Tax Residency Self Certification Form. The "tax residency self-certification" form can be found at the end of this document and further copies of this form and the relevant form for joint holdings or Corporate Entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
 - 6.2 It is a condition of application that (where applicable) a completed version of that form is provided with the Application Form before any application can be accepted.

PART 20

TERMS OF AND CONDITIONS OF THE PLACING PROGRAMME

1 Introduction

These terms and conditions apply to persons making an offer to subscribe for new Ordinary Shares under the Placing Programme (which may include Stifel or its nominees).

Each person to whom these conditions apply, as described above, who confirms its agreement to the Company or Stifel to subscribe for Placing Programme Shares hereby agrees with Stifel and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Programme Shares will be subscribed under the Placing Programme. An investor shall, without limitation, become so bound if the Company or Stifel confirms to the investor its allocation.

Under the Placing Programme, the Company is proposing to issue up to 200 million new Ordinary Shares (less any New Ordinary Shares issued pursuant to the Initial Issue) in Tranches. Each Tranche will comprise a placing on similar terms to the Placing.

The Placing Programme is being implemented in order to provide funding to enable the Company to make investments in accordance with, and/or to fulfil the investment objectives contained in, its Investment Policy.

The total net proceeds of the Placing Programme will depend on the number of Placing Programme Shares issued throughout the Placing Programme, the issue price of such Placing Programme Shares, and the aggregate costs and commissions for each Tranche. However, assuming that the maximum number of new Ordinary Shares available under the Placing Programme is issued at an issue price of 102 pence per Ordinary Share with aggregate costs and commissions of £4.2 million, the total net proceeds of the Placing Programme would be approximately £199.8 million.

The size, pricing and frequency of each Tranche, and of each placing, will be determined in the sole discretion of the Company in consultation with Stifel.

2 Terms of the Placing Programme

The Placing Programme will open on 12 September 2019 and it is anticipated that there will be a separate closing for each Tranche such that Placing Programme Shares will be allotted on such dates as are determined by the Directors until the earliest to occur of: (a) the first anniversary of the date of this document; (b) the date on which an aggregate of 200 million Ordinary Shares have been admitted to trading on the Specialist Fund Segment pursuant to the Initial Issue and the Placing Programme; and (c) such other date as may be agreed between Stifel and the Company. Issuances may take place at any time prior to the final closing date as set out above. In relation to a Tranche, a supplementary prospectus will be published and an RIS announcement will be released, including details of the number of Ordinary Shares allotted and the applicable issuance price.

The issue of Placing Programme Shares under the Placing Programme is not being and will not be underwritten and, as at the date of this document, the actual number of Placing Programme Shares to be issued under the Placing Programme is not known. The number of new Ordinary Shares available under the Placing Programme should not be taken as an indication of the number of Placing Programme Shares finally to be issued.

Placing Programme Shares will, when issued, rank *pari passu* with the existing Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Placing Programme Shares).

The issuance of each Tranche of Placing Programme Shares is conditional upon, *inter alia*:

- (a) admission of the Placing Programme Shares issued pursuant to such Tranche to trading on the SFS of the Main Market of the LSE;
- (b) the Placing Agreement having become unconditional in respect of the relevant Tranche (save as regards any condition therein relating to admission of the Placing

Programme Shares to be issued pursuant to such Tranche to trading on the SFS of the Main Market of the LSE) and not having been terminated in accordance with its terms prior to such admission; and

- (c) the Resolutions being passed at the General Meeting without material amendment.

In circumstances in which these conditions are not fully met, the relevant issue of Placing Programme Shares pursuant to the Placing Programme will not take place.

The Placing Programme will be suspended at any time when the Company is unable to issue new Ordinary Shares pursuant to the Placing Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion.

The total number of Placing Programme Shares issued in any Tranche will be determined at the discretion of the Directors in consultation with Stifel and the Investment Adviser after taking into account demand for the Ordinary Shares and prevailing economic and market conditions.

Placing Programme Shares issued in any Tranche may be held in certificated form or in uncertificated form. Assuming the conditions of a Tranche are met and admission occurs, all Placing Programme Shares will be admitted to trading on the SFS of the Main Market of the LSE regardless of whether they are held in certificated form or in uncertificated form.

3 The Placing Programme Timetable

The Placing Programme will open on 12 September 2019 and will close on the earliest to occur of: (a) the first anniversary of the date of this document; (b) the date on which an aggregate of 200 million new Ordinary Shares have been admitted to trading on the Specialist Fund Segment pursuant to the Initial Issue and the Placing Programme; and (c) such other date as may be agreed between Stifel and the Company. No Ordinary Shares will be issued at a discount to the Net Asset Value per Ordinary Share. Notification of any extension will be via an RIS announcement.

Allotment and issuances may take place at any time prior to the final closing date of the first anniversary of the date of this document. An announcement of each allotment and issue will be released through an RIS announcement, including details of the number of Placing Programme Shares allotted and issued and the applicable issue price for the allotment and issue.

4 The issue price and issue costs

It is intended that the price at which Placing Programme Shares are issued on a non-pre-emptive basis under the Placing Programme will always represent a premium to the prevailing Net Asset Value per Share.

5 General information relating to the Placing Programme

The Company, the Investment Adviser and Stifel have entered into the Placing Agreement, pursuant to which Stifel has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Placing Programme Shares made available under the Placing Programme.

Applications under each Tranche will be on the terms and conditions set out in Part 20 of this document, as modified by any relevant supplementary prospectus applicable to the relevant Tranche and provided that references therein to "New Ordinary Shares" shall be deemed to be to new Ordinary Shares under the Placing Programme".

The basis of allocation under each Tranche shall be determined by the Directors in consultation with Stifel. The Directors in consultation with Stifel may scale back subscriptions at their discretion and, in any event, will scale back subscriptions at their discretion if subscriptions under the Placing Programme exceed the maximum number of new Ordinary Shares available under the Placing Programme.

To the extent that any application for subscription is rejected in whole or in part, or the Directors determine in their absolute discretion that any placing should not proceed, monies received will be returned to each relevant applicant at its risk and without interest.

Subject to those matters on which each tranche is conditional, the Directors, in consultation with Stifel, may postpone the closing date for such Tranche.

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PART 21

APPLICATION FORM FOR THE OFFER FOR SUBSCRIPTION

Important: before completing this form, you should read the accompanying notes.

To: Link Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Terms defined in the document comprising a prospectus of the Company dated 12 September 2019 (the “**Prospectus**”) of which this Application Form comprises Part 21 shall have the same meaning when used in this Application Form.

1 Application

I/We the person(s) detailed in section 3 below offer to subscribe for the number of Ordinary Shares shown in Box 1 subject to the Terms and Conditions set out in Part 19 of the Prospectus and subject to the Articles of Association of the Company.

Box 1 (minimum subscription of 1,000 New Ordinary Shares and then in multiples of 1,000 New Ordinary Shares thereafter).

2 Amount payable

Box 2 (the number in Box 1 multiplied by the Issue Price, being 102 pence per New Ordinary Share).

Payment Method: ☐ Cheque ☐ CREST Settlement ☐ DVP
(tick appropriate box)

3 Details of Holder(s) in whose name(s) Ordinary Shares will be issued (BLOCK CAPITALS)

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Address (in full)

Designation (if any)

Date of birth

Telephone number

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Address (in full)

Designation (if any)

Date of birth

Telephone number



Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Address (in full).....

Designation (if any).....

Date of birth

Telephone number

Mr, Mrs, Miss or Title

Forenames (in full).....

Surname/Company Name

Address (in full).....

Designation (if any).....

Date of birth

Telephone number

4 CREST details

(Only complete this section if New Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 3).

CREST Participant ID

CREST Member Account ID

5 Signature(s) all holders must sign

Execution by individuals:

First Applicant Signature		Date	
Second Applicant Signature		Date	
Third Applicant Signature		Date	
Fourth Applicant Signature		Date	

Execution by a company:

Executed by (Name of Company):		Date	
Name of Director:		Signature:	
Name of Director/Secretary:		Signature:	
If you are affixing a company seal, please mark a cross here:	<input type="checkbox"/>	Affix company Seal here:	

6 Settlement details

(a) *Cheque/Banker's Draft*

If you are subscribing for New Ordinary Shares and paying by cheque or banker's draft pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 2 made payable to **"Link Market Services Ltd Re: Supermarket Income REIT plc – 2019 OFS A/C"**. Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man and must bear the appropriate sort code in the top right hand corner.

(b) *CREST Settlement*

If you so choose to settle your application within CREST, that is DVP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of New Ordinary Shares to be made against payment of the Issue Price, following the CREST matching criteria set out below:

Trade date: 3 October

Settlement date: 7 October 2019

Company: Supermarket Income REIT plc

Security description: ORD GBP0.01

SEDOL: BF345X1

ISIN: GB00BF345X11

Should you wish to settle DVP, you will need to input your instructions to Link Asset Services' Participant account RA06 by no later than 11.00 a.m. on 1 October 2019.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle DVP will still need to complete and submit a valid Application Form to be received by no later than 11.00 a.m. on 1 October 2019. You should tick the relevant box in section 2.

Applicants will also need to ensure that their settlement instructions have been input to Link Asset Services' Participant account (RA06) by no later than 11.00 a.m. on 1 October 2019. Note: Link Asset Services will not take any action until a valid DEL message has been received by the Participant account by the applicant.

No acknowledgement of receipt or input will be provided.

Applicants should also ensure that their settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to their usual daily trading and settlement requirements.

In the event of late/non settlement the company reserves the right to deliver shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the company and all other conditions of the Initial Issue have been satisfied.

7 Anti-money laundering

PLEASE NOTE

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Link itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whilst Link Asset Services may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is the Sterling equivalent of €15,000 (currently approximately £13,600).



Link Asset Services will make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an 'enquiry footprint' – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-Money Laundering Checks appear as an enquiry/soft search on the investors credit report. The report may contain a note saying "Identity Check to comply with Anti Money Laundering Regulations".

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received by Link Asset Services no later than 11.00 a.m. on 1 October 2019.

In addition to completing and returning the Application Form to Link Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The “individual tax residency self-certification – sole holding” form can be found at the end of this document. Further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. **It is a condition of application that (where applicable) a completed version of the Tax Residency Self Certification Form is provided with the Application Form before any application can be accepted.**

HELPLINE: If you have a query concerning the completion of this Application Form, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

1 Application

Fill in (in figures) in Box 1 the number of New Ordinary Shares being subscribed for. The number being subscribed for must be a minimum of 1,000 New Ordinary Shares and then in multiples of 1,000 New Ordinary Shares thereafter. Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

2 Amount payable

Fill in (in figures) the total amount payable for the New Ordinary Shares for which your application is made which is the number inserted in Box 1 of the Application Form, multiplied by the Issue Price, being 102 pence per New Ordinary Share. You should also mark in the relevant box to confirm your payment method, i.e. cheque, banker's draft or settlement via CREST.

3 Holder details

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form in section 5.

4 CREST

If you wish your New Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 3, enter in section 4 the details of that CREST account. Where it is requested that New Ordinary Shares be deposited into a CREST account please note that payment for such New Ordinary Shares must be made prior to the day such New Ordinary Shares might be allotted and issued. It is not possible for an applicant to request that New Ordinary Shares be deposited in their CREST account on an against payment basis. Any Application Form received containing such a request will be rejected.

5 Signature

All holders named in section 3 must sign section 5 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.



6 Settlement details

(a) *Cheque/Banker's draft*

All payments by cheque or banker's draft must accompany your application and be for the exact amount inserted in Box 2 of the Application Form. Your cheque or banker's draft must be made payable to "**Link Market Services Ltd Re: Supermarket Income REIT plc – 2019OFS A/C**" in respect of an Application and crossed "**A/C Payee Only**". Applications accompanied by a post-dated cheque will not be accepted.

Cheques or banker's drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner.

Third party cheques may not be accepted, with the exception of building society cheques or banker's drafts where the building society or bank has inserted on the back of the cheque the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity.

(b) *CREST settlement*

The Company will apply for the New Ordinary Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the "**Relevant Settlement Date**"). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

The Application Form contains details of the information which the Company's Receiving Agent, Link Asset Services, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Link Asset Services to match to your CREST account, Link Asset Services will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your New Ordinary Shares in certificated form should the Company, having consulted with Link Asset Services, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Link Asset Services in connection with CREST.

The person named for registration purposes in your Application Form must be: (a) the person procured by you to subscribe for or acquire the New Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Link Asset Services 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. You will need to input the delivery versus payment ("**DVP**") instructions into the CREST system in accordance with your application. The input returned by Link Asset Services of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the Relevant Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 11.00 a.m. on 1 October 2019 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by Link Asset Services.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date: 3 October 2019

Settlement Date: 7 October 2019

Company: Supermarket Income REIT plc

Security Description: ORD GBP0.01

SEDOL: BF345X1

ISIN: GB00BF345X11

Should you wish to settle DVP, you will need to input your instructions to Link Asset Services' Participant account RA06 by no later than 11.00 a.m. on 1 October 2019.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle DVP will still need to complete and submit a valid Application Form to be received by no later than 11.00 a.m. on 1 October 2019. You should tick the relevant box in section 2.

Applicants will also need to ensure that their settlement instructions have been input to Link Asset Services' Participant account (RA06) by no later than 11.00 a.m. on 1 October 2019. Note: Link Asset Services will not take any action until a valid DEL message has been received by the Participant account by the applicant.

No acknowledgement of receipt or input will be provided.

Applicants should also ensure that their settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to their usual daily trading and settlement requirements.

In the event of late/non settlement the company reserves the right to deliver shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the company and all other conditions of the Initial Issue have been satisfied.

In the event of late CREST settlement, the Company, after having consulted with Link Asset Services, reserves the right to deliver New Ordinary Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Initial Issue have been satisfied.

7 Bank transfer

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00 a.m. on 1 October 2019 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example, MJ SMITH 01234 567 8910

Bank: Lloyds Bank plc

Sort Code: 30-80-12

Account No: 19258660

Account Name: **LMS re: Supermarket Income REIT Plc – 2019 OFS CHAPS A/C**

Electronic payments must come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that inserted Box 2 of the Application Form and payments must relate solely to your Application. You should tick the relevant payment method box in section 1. It is recommended that such transfers are actioned within 24 hours of posting your application.

Evidence of the source of funds will also be required. Typically this will be a copy of the remitting bank account statement clearly identifying the applicant's name, the value of the debit (equal to the application value) and the crediting account details or application reference. A photocopy of the transaction can be enclosed with your application or a pdf copy can also be scanned & emailed to operationalsupportteam@linkgroup.co.uk. Photographs of the electronic transfer are not acceptable.



Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

Please Note – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying application form

TAX RESIDENCY SELF-CERTIFICATION FORM

Tax Residency Self-Certification Form (Individuals) <i>A separate form is required for each holder</i>	
Company that shares are held in: *	Supermarket Income REIT plc
Name: *	
Registered Address: * <i>If your address has changed, then you will need to notify us separately. See the questions and answers.</i>	
Tax Residence Address <i>Only if different to your registered address above.</i>	
Date of Birth * <i>(DD/MM/YYYY)</i>	
Country/Countries of Residence for Tax Purposes	
Country of residence for tax purposes	Tax Identification Number <i>In the UK this would be your NI number</i>
1	1 *
2	2
3	3
4	4
US Citizen Please mark the box ONLY if you are a US Citizen (see Definitions) <div style="float: right; border: 1px solid black; width: 30px; height: 20px; margin-top: 5px;"></div>	
Declarations and Signature <p>I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.</p> <p>I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.</p> <p>I certify that I am the shareholder (or I am authorised to sign for the shareholder**). If this relates to a joint holding, I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.</p> <p>I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.</p>	
Signature: *	
Print Name: *	
Date: *	
Daytime telephone number/email address***	

* Mandatory field

** If signing under a power of attorney, please also attach a certified copy of the power of attorney.

*** We will only contact you if there is a question around the completion of the self-certification form.



INTRODUCTION

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including the account holders tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your registered address (or name) has changed, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

JOINT HOLDERS (IF RELEVANT)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for all joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

DEFINITIONS

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

"Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Link holds the shares on your behalf, the person whose name appears on the register of entitlement that Link maintains.

"Country/Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a **tax identification number (TIN)**. Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

"Tax Identification Number or TIN"

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

“US Citizen” for purposes of this form

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.

NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

QUESTIONS & ANSWERS

Why are you writing to me and asking for a “Tax Residency Self Certification”?

The governments of more than 90 countries around the world have agreed to exchange tax related information. These governments have passed similar sets of laws to enable the Automatic Exchange of Information (“AEOI”). The full list of countries involved can be seen at: www.oecd.org/tax/transparency/AEOI-commitments.pdf

Additionally, the United States has over 100 similar agreements with many countries referred to as the ‘Foreign Account Tax Compliance Act’.

The legislation can vary slightly from jurisdiction to jurisdiction, but at a high level, it requires Financial Institutions to:

- Identify existing Holders that may be resident (for tax purposes) in other participating jurisdictions. Then contact any such Holders and request that they complete a “Tax Residency Self Certification” form.
- Obtain a “Tax Residency Self Certification” form for all new Holders.
- Identify holders who move from one jurisdiction to another and request that they complete a “Tax Residency Self Certification” form.
- Identify Holders who have payments sent to a different jurisdiction.
- Submit a return to the Financial Institution’s “local” tax authority on an annual basis. As an example for a company incorporated in the UK, then the local tax authority would be HM Revenue & Customs (HMRC).
- Follow up on any non responders at least annually for at least 3 years.

The “local” tax authority will pass information onto the tax authority in the relevant jurisdiction. As an example the tax authority in the US is the Inland Revenue Service (“IRS”), so HMRC will exchange information with IRS.

Where can I find out more information about the legislation?

The legislation is quite complex and you may wish to speak to your tax adviser.

The web site of your local tax authority will contain more information e.g. HMRC for the UK; the IRS for the US; Jersey Income Tax Department for Jersey, etc.

Additionally, the web site of The Organisation for Economic Co-operation and Development (OECD) gives further information.

What happens if I do not complete the form?

In the annual report that the Financial Institution sends to their local tax authority you will be shown as ‘Undocumented’.



The local tax authority will collate the responses from all of its financial institutions and pass that information onto the relevant local tax authority for the jurisdictions identified.

Link is not able to comment on what action the tax authority for the jurisdiction will take.

What if I am a Tax Resident in 2 or more countries?

The self-certification form allows for up to 4 tax residencies to be recorded.

I do not pay tax or I do not know which country I am tax resident in

Please refer to your local tax authority or tax adviser.

I do not have a tax identification number

Please refer to your local tax authority or tax adviser.

Note that different countries call their tax identification numbers using alternative terminology. As an example in the UK it would be a National Insurance number.

I have already completed a W8 or W9 form. Do I still need to complete a “Tax Residency Self Certification”?

Yes. The US legislation governing W8/W9 forms overlaps with US FATCA legislation.

What is classed as my Tax Residence Address?

Please refer to your local tax authority or tax adviser.

In addition, you may wish to consider: Where you are a citizen with a passport; Your residential home address in a country and unrestricted right of entry back into that country once you depart.

Joint Holders

When there are multiple holders on an account, then every joint holder must complete a Tax Residency Self Certification and every joint holder will receive a letter in their own right. The letter will be sent to the registered address recorded for the holding.

Joint holders are treated as separate holders for these tax purposes. If any one of the joint holders is reportable, the value of the whole shareholding will be reported for all of the joint shareholder(s).

If we do not receive a validly completed self certification for each joint shareholder, the whole shareholding will be treated as “undocumented” and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

Can I use the Self Certification Form to change the registered address?

No. If your address has changed, then you must advise Link Asset Services separately.

A change of address for can be downloaded from: www.linkassetservices.com

Any details you enter in the “Tax Residence Address” will be used for tax purposes only and will not be used to update your registered details.

Can I use the Self Certification Form to advise of a Change of Name?

No. You must advise Link Asset Services separately.

For more information, see www.linkassetservices.com

Can I use the Self Certification Form to advise of a Change of Name?

No. You must advise Link Asset Services separately.

For more information, see www.linkassetservices.com

Can I use the Self Certification Form to advise of the death of a holder, or registration of a power of Attorney?

No. You must advise Link Asset Services separately. For more information, see www.linkassetservices.com

How do I contact Link Asset Services, to advise of a change of address or any other changes to my account?

Share Holder Portal: www.linkassetservices.com

Telephone: 0871 664 0300
+44 (0) 371 664 0300 (international)

Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Address: PO Box 518, Darlington, DL1 9XP, United Kingdom

I would like future dividends paid into a different bank account

Contact Link Asset Services. For more information, see www.linkassetservices.com

I have given a different address for tax purposes, will the registered address of my share holding be altered?

No. The details on the Self Certification form are for tax purposes only. If you want to alter any of the registered details relating to your investment then you need to inform Link Asset Services. For more information, see www.linkassetservices.com

I have recently sold all of the shares, do I still need to complete a Self-Certification form?

Yes. Your account will be reportable in the current year, but will cease to be reportable in subsequent years.



APPENDIX

SUPERMARKET INCOME REIT PLC NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Supermarket Income REIT plc (the “**Company**”) will be held at Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT at 3.00 p.m. on 1 October 2019 for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

Resolutions

- 1 THAT the Directors of the Company be and are generally and unconditionally authorised in accordance with Section 551 of the Companies Act, in addition to the authorities conferred upon the Directors in respect of the allotment of shares at the Company’s last annual general meeting, to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £2,000,000 in connection with the Initial Issue and the Placing Programme, such authority to expire (unless previously revoked, varied or renewed) on 31 December 2020, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.
- 2 THAT the Directors of the Company be generally empowered (pursuant to Section 570 of the Companies Act), in addition to the prior authorities conferred upon the Directors in respect of the allotment of shares on a non-pre-emptive basis at the Company’s last annual general meeting, to allot Ordinary Shares for cash pursuant to the authority provided by resolution 1 above as if Section 561 of the Companies Act did not apply to any such allotment, such power to expire (unless previously revoked, varied or renewed) on 31 December 2020, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the Ordinary Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired.

Capitalised terms used in this notice have the meaning given to them in the prospectus published by the Company on 12 September 2019, of which this notice is appended (unless the context requires otherwise).

By order of the Board

Date: 12 September 2019

Registered office: 7th Floor, 9 Berkeley Street, London, W1J 8DW

NOTES TO THE NOTICE OF GENERAL MEETING

Rights to appoint a proxy

- 1 Members of the Company entitled to attend and vote are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company but must attend the meeting to represent you. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a member wishes a proxy to speak on its behalf at the meeting he or she should appoint their own choice of proxy (not the chairman) and give their instructions directly to them.

Procedure for appointing a proxy

- 2 A proxy form which may be used to make such appointment and give proxy directions accompanies this notice. Details of how to appoint a proxy are set out in the notes to the proxy form. If you do not receive a proxy form and believe that you should have one, or if you require additional proxy forms in order to appoint more than one proxy, please contact Link Asset Services on 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
- 3 To be valid, the proxy form must be returned (together with any the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority) by one of the following methods:
 - in hard copy form by post or (during normal business hours only) by hand at Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,and in each case so as to be received by no later than 3.00 p.m. on 27 September 2019. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- 4 The return of a completed proxy form or any CREST Proxy Instruction (as described in note 15 below) will not preclude a member from attending the general meeting and voting in person if he or she wishes to do so. If a member has appointed a proxy and attends the annual general meeting in person, the proxy appointment will automatically be terminated.

Changing or revoking proxy instructions

- 5 To change your proxy instructions simply submit a new proxy appointment using the methods set out in note 3 above. Any amended proxy appointment must be received no later than the time referred to in note 3 above and any amended proxy appointment received after the relevant cut-off time will be disregarded.
- 6 If you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Asset Services on 03716640300 and ask for another proxy form.
- 7 If you submit more than one valid proxy appointment in respect of the same share for the purposes of the same meeting, the appointment last delivered or received shall prevail in conferring authority on the person named in it to attend the meeting and speak and vote.
- 8 In order to revoke a proxy instruction you will need to inform the Company by sending notice in writing clearly stating your intention to revoke your proxy appointment by one of the methods referred to in note 3 above (accompanied by the power of attorney or other authority (if any) under which the revocation notice is signed or a certified copy of such power or authority). The revocation notice must be received no later than 3.00 p.m. on 27 September 2019.
- 9 In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- 10 If you attempt to revoke your proxy appointment but the revocation is received after the time specified above then your proxy appointment will remain valid.

Nominated persons

- 11 Any person to whom this notice is sent who is a person nominated under s.146 Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the annual general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
- 12 The statement of the rights of members in relation to the appointment of proxies in notes 1, 2 and 3 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company.

Record date

- 13 To be entitled to attend and vote at the general meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at the close of business 48 hours before the time of the general meeting (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the right of any person to attend and vote at the meeting.



Attending in person

- 14 If you wish to attend the general meeting in person, you should arrive 15-30 minutes before the scheduled start time to ensure that you are able to clear any security arrangements.

CREST proxy appointments

- 15 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 16 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Link Asset Services Limited RA10 by no later than 3.00 p.m. on 27 September 2019 or, in the event of an adjournment, 48 hours before the adjourned time. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services is able to retrieve the message by enquiry to CREST in the manner required by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 17 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 18 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) Uncertificated Securities Regulations 2001.

Electronic voting

- 19 Shareholders can also vote electronically by registering on the Signal Shares portal at www.signalshares.com

Corporate representatives

- 20 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Total voting rights

- 21 As at 11 September 2019 (being the last business day prior to the publication of this notice) the Company's issued share capital comprised 239,833,219 Ordinary Shares of £0.01 each. Each Ordinary Share carries the right to one vote on a poll at a general meeting of the Company and, therefore, the total voting rights in the Company as at that date are 239,833,219. As at 11 September 2019, the Company held no Ordinary Shares as treasury shares.

Publication on website

- 22 Under s.527 Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the general meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with s.437 Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with ss.527 or 528 Companies Act 2006. Where the Company is required to place a statement on a website under s.527 Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the general meeting includes any statement that the Company has been required under s.527 Companies Act 2006 to publish on a website.
- 23 A copy of this notice, and other information required by s.311A Companies Act 2006, can be found on the website at www.supermarketincomereit.com.

Other rights of members

- 24 Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

Documents available for inspection

- 25 Members who have general enquiries about the meeting should use the following means of communication. No other means of communication will be accepted. You may:
- call our members' helpline on 0871 664 0300; or
 - contact the Company Secretary on 020 7409 0181.
- 26 You may not use any electronic address provided in this notice of annual general meeting or any related documents (including the proxy form) for communicating with the Company for any purposes other than those expressly stated.
- 27 Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that members subject all messages to virus checking procedures prior to use. Please note that any electronic communication received by the Company that is found to contain any virus will not be accepted.

Issuing Placing Programme Shares above NAV

- 28 The Company will also implement the Placing Programme pursuant to which Placing Programme Shares will be made available to investors at an issue price calculated by reference to the Net Asset Value per Share at the time of allotment, together with a premium intended to cover the costs and expenses of the Placing Programme (including, without limitation, any placing commissions). No Placing Programme Shares will be issued at a discount to the Net Asset Value per Share.



