

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own independent financial advice immediately from an independent financial advisor authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised financial adviser if you are in a territory outside of the United Kingdom, who specialises in advising on the acquisition of shares and other securities.**

This document is an admission document for the purposes of the AIM Rules for Companies and a prospectus relating to Warehouse REIT plc (the “Company”) and has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the “FCA”) made under section 73A of FSMA. This document has been filed with and approved by the FCA and has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc (the “London Stock Exchange”) on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The Directors (whose names and functions appear on page 32 of this Prospectus), Tilstone Partners Limited and the Company accept responsibility for the information contained in this Prospectus. The Directors and the Company also take individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors, Tilstone Partners Limited and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Prospective investors should read the whole of this Prospectus and, in particular, the matters set out under the heading “Risk Factors” on pages 17 to 29 of this Prospectus when considering an investment in the Company.**

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## **Warehouse REIT plc**

*(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 10880317 and registered as an investment company under section 833 of the Companies Act 2006)*

**Issue of Consideration Shares in connection with the Acquisition of the Tilstone Property Portfolio**

**Issue of up to 150,000,000 Ordinary Shares pursuant to a Placing and Offer for Subscription  
(including an Intermediaries Offer) at a price of £1.00 per Ordinary Share**

**Admission to trading on AIM**

*Nominated Adviser and Broker*

**PEEL HUNT LLP**

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Application will be made for all of the Ordinary Shares, being the Existing Ordinary Share, the Issue Shares and the Consideration Shares, to be admitted to trading on AIM, a market operated by London Stock Exchange. It is expected that Admission will become effective, and that dealings will commence in the Ordinary Shares on AIM, at 8:00 a.m. (London time) on 20 September 2017.

Peel Hunt LLP (“Peel Hunt”), which is authorised and regulated by the FCA and is a member of the London Stock Exchange, is acting as nominated adviser and broker to the Company in connection with the proposed Issue and Admission and for no one else, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the proposed Issue and Admission. The responsibilities of Peel Hunt as the Company’s nominated adviser are owed solely to the London Stock Exchange. Peel Hunt does not accept any responsibility to any recipient of this document whatsoever for the contents of this Prospectus. Peel Hunt is not making any representation or warranty, express or implied, to any recipient of this document as to any of its contents (without limiting the recipient’s statutory rights). Peel Hunt accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save to the London Stock Exchange as referred to above) which it might otherwise have in respect of such document or any such statement. Nothing in this paragraph shall serve to limit or exclude the

responsibilities and liabilities, if any, which may be imposed on Peel Hunt by FSMA or the regulatory regime established thereunder.

The Ordinary Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment. An investment in Ordinary Shares is only suitable for investors capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from the investment.

The Offer for Subscription will remain open until 1:00 p.m. on 14 September 2017. Persons wishing to participate in the Offer for Subscription should complete the Application Form enclosed with this document. To be valid, Application Forms must be completed and returned with the appropriate remittance, by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 1:00 p.m. on 14 September 2017.

**Under the Offer for Subscription, Ordinary Shares are only being made available to potential investors who are resident in the United Kingdom and, to the extent they are permitted, in the Channel Islands and the Isle of Man. This Prospectus does not constitute an offer of, or the solicitation of an offer to buy, Ordinary Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful and, in particular, is not for distribution or publication in Australia, Canada, Japan or the Republic of South Africa. The Ordinary Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa and subject to certain exceptions, Ordinary Shares may not be offered or sold in Australia, Canada, Japan or the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa. The Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act). There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered or sold only outside the United States to non U.S. Persons in offshore transactions. This Prospectus should not be distributed into the United States or to U.S. Persons. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “U.S. Investment Company Act”) and investors will not be entitled to the benefits of the U.S. Investment Companies Act.**

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe, for Ordinary Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, Tilstone Partners Limited or Peel Hunt.

### **Reliance on this Prospectus**

Prior to making any decision as to whether to invest in Ordinary Shares, prospective investors should read the entirety of this Prospectus. In making any investment decision, each investor must rely on its own examination, analysis and enquiry of the Company and the terms of the Issue, including the associated merits and risks. Investors should rely only on the information contained in the Prospectus. No person has been authorised to give any information or make any representations in connection with the Issue and Admission other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, Tilstone Partners Limited or Peel Hunt.

Without prejudice to any legal or regulatory obligation of the Company to publish a supplementary prospectus pursuant to Section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any subscription for, or purchase of, Ordinary Shares pursuant to it shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or the Group taken as a whole since, or that the information contained in this Prospectus is correct at any time subsequent to, the date of this Prospectus.

The contents of this Prospectus are not to be construed as legal, financial, business or tax advice. Each prospective investor should consult their own legal advisor, financial advisor or tax advisor for legal, financial or tax advice.

The date of this Prospectus is 23 August 2017.

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## SUMMARY INFORMATION

Prospectus summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

<b>Section A – Introduction and warnings</b>		
A.1	Introduction and warnings	<p>This summary should be read as an introduction to this Prospectus. Any decision to invest in the Ordinary Shares should be based on the consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the EEA, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Under the Prospectus Directive (Directive 2003/71/EEC), in each member state of the EEA civil liability attaches only to those persons who have tabled the summary, including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.</p>
A.2	Consent for Intermediaries	<p>The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries in the UK, the Channel Islands and the Isle of Man.</p> <p>The offer period within which any final placement of securities by financial intermediaries can be made and for which consent to use this Prospectus is given commences on: (i) 23 August 2017 in respect of the Intermediaries who have been appointed prior to the date of this Prospectus, as listed in paragraph 26 of Part XI: “<i>Additional Information</i>” of this Prospectus; and (ii) from the date on which they are appointed in respect of any Intermediaries who are appointed after the date of this Prospectus, a list of which will appear on the Company’s website, and in each case closes at 10.00 a.m. on 15 September 2017, unless closed prior to that date.</p> <p><b>Information on the terms and conditions of any final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.</b></p> <p><b>A financial intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company’s consent and the conditions attached thereto.</b></p>

<b>Section B – Issuer</b>											
B.1	Legal and commercial name	Warehouse REIT plc.									
B.2	Domicile/legal form/legislation/country of incorporation	The Company was incorporated in England and Wales on 24 July 2017 under the Companies Act 2006 as a public company limited by shares with company number 10880317 and is a closed-ended investment company.									
B.3	Current operations/principal activities/products/services/principal markets	Not applicable. The Company will be a REIT for the purposes of Part 12 of the Corporation Tax Act 2010 but has not commenced operations since its incorporation. It will only commence operations on Admission.									
B.4a	Significant recent trends	The Company intends to invest in a diversified portfolio of UK located warehouse assets. This segment of the commercial property market is currently constrained by very limited supply over the last 10 years, which is outstripped by demand, leading to further rental growth.									
B.5	Group	On Admission, the Company will become the holding company of the Group. Immediately after Admission, the Company will have two wholly owned direct subsidiaries, Tilstone Holdings Limited and Tilstone Warehouse Holdco Limited, and seven indirect wholly owned subsidiaries, Tilstone Industrial Limited, Tilstone Trade Limited, Tilstone Retail Limited, Tilstone Industrial Warehouse Limited, Tilstone Retail Warehouse Limited, Tilstone Glasgow Limited and Tilstone Basingstoke Limited.									
B.6	Major shareholders	<p>Save as set out in the table below, as at the close of business on 22 August 2017 (being the latest practicable date prior to the publication of this Prospectus), the Company is not aware of any person or persons who, following Admission (and assuming the maximum number of Ordinary Shares are subscribed under the Issue), will be directly or indirectly interested in three per cent. or more of the Company's issued share capital.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><i>Number of Ordinary Shares immediately following Admission</i></th> <th style="text-align: center;"><i>Percentage of Ordinary Shares immediately following Admission</i></th> </tr> </thead> <tbody> <tr> <td>Simon Hope</td> <td style="text-align: center;">6,845,966</td> <td style="text-align: center;">4.12%</td> </tr> <tr> <td>Stephen Barrow</td> <td style="text-align: center;">6,430,562</td> <td style="text-align: center;">3.87%</td> </tr> </tbody> </table> <p>TPL currently holds one Ordinary Share and 50,000 Redeemable Ordinary Shares, which will be redeemed on Admission.</p> <p>The Directors are not aware of any person or persons who could, directly or indirectly, jointly or severally, exercise control over the Company.</p> <p>There are no different voting rights for any Shareholder.</p>		<i>Number of Ordinary Shares immediately following Admission</i>	<i>Percentage of Ordinary Shares immediately following Admission</i>	Simon Hope	6,845,966	4.12%	Stephen Barrow	6,430,562	3.87%
	<i>Number of Ordinary Shares immediately following Admission</i>	<i>Percentage of Ordinary Shares immediately following Admission</i>									
Simon Hope	6,845,966	4.12%									
Stephen Barrow	6,430,562	3.87%									
B.7	Selected historical key financial information and significant changes	The Prospectus contains limited historical financial information about the Company as the Company is recently incorporated and has not commenced operations. The Prospectus contains: (i)									

		<p>financial information for the Company from incorporation on 24 July 2017 to 31 July 2017 (see Part VII: “<i>Historical Financial Information of the Company</i>” of this Prospectus); and (ii) an unaudited pro forma statement of net assets as at 31 July 2017.</p> <p>There has been no significant change in the financial condition and operating results of the Group since 31 July 2017.</p>
B.8	Selected key pro forma financial information	<p>On Admission, the Company’s gross assets will:</p> <p>(a) comprise properties from the Tilstone Property Portfolio with a gross market value of £108.85 million; and</p> <p>(b) increase by an amount equal to the gross proceeds of the Issue less an amount representing the Issue Costs which, assuming the maximum number of Ordinary Shares are subscribed under the Issue, are not expected to exceed two per cent. of the aggregate value, at the Issue Price, of the Issue Shares and the Consideration Shares. Assuming that the maximum number of Ordinary Shares are subscribed under the Issue, the Issue Costs are expected to be £3.2 million.</p>
B.9	Profit forecast/estimate	Not applicable. No profit forecast or estimate has been made.
B.10	Audit report qualifications	Not applicable. There are no qualifications in respect of the accountant’s report on the historical financial information contained in Part VII: “ <i>Historical Financial Information of the Company</i> ” in this Prospectus.
B.11	Working capital insufficiency	<p>Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group’s present requirements, that is, for at least the 12 months from the date of this document.</p> <p>For the purposes of the AIM Rules, the Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company and its Group will be sufficient for its present requirements, that is, for at least the period of 12 months from the date of Admission.</p>
B.34	Investment Objective and policy	<p>The Company’s investment objective is to provide Shareholders with an attractive level of income together with the potential for income and capital growth by investing in a diversified portfolio of UK commercial property warehouse assets.</p> <p>The Company will hold a diversified portfolio of well-located freehold and long leasehold warehouse assets including warehouses in the Industrial/Manufacturing, Storage and Distribution, Trade-counter and Retail Warehouse sub-sectors. There will be a preference for multi-let estates and a strong focus on income-producing investments.</p> <p>The Company 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.</p>

	<p>The Company will invest and manage its portfolio with an objective of spreading risk and, in doing so, will maintain the following investment restrictions:</p> <ul style="list-style-type: none"> <li>• the Company will only invest, directly or indirectly, in warehouse assets located in the UK;</li> <li>• no individual warehouse property will represent more than 20 per cent. of the prevailing gross asset value of the Company at the time of investment;</li> <li>• the Company will target a portfolio with no one tenant accounting for more than 10 per cent. of the gross Contracted Rents of the Company at the time of purchase. In any event, no more than 20 per cent. of the gross assets of the Company will be exposed to the creditworthiness of any one tenant at the time of purchase;</li> <li>• the portfolio will be diversified by location across the UK with a focus on areas with strong underlying investment fundamentals; and</li> <li>• the Company will not invest more than 10 per cent. of its gross assets in other listed closed-ended investment funds.</li> </ul> <p>The Company will consider investments where there is potential for active asset management, including general refurbishment works.</p> <p>The Company will not undertake speculative development (that is, development of property which has not been at least partially leased or pre-leased or de-risked in a similar way), save for refurbishment and/or extension of existing holdings. The Company may, provided that the exposure to these assets at the time of purchase shall not exceed 15 per cent. of the gross assets of the Company, invest directly, or via forward funding agreements or forward commitments, in developments including pre-developed land, where the structure is:</p> <ol style="list-style-type: none"> <li>(i) designed to provide the Company with investment rather than development risk;</li> <li>(ii) where the development has been at least partially pre-let or sold or de-risked in a similar way; and</li> <li>(iii) where the Company intends to hold the completed development as an investment asset.</li> </ol> <p>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 also invest in derivatives for the purpose of efficient portfolio management. In particular, the Company may engage in interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company's efficient portfolio management strategy.</p> <p>Each of the assets in the Tilstone Property Portfolio has similar characteristics to those set out above and further investments will</p>
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		<p>only be acquired if they meet the investment criteria of the Company.</p> <p>It is envisaged that a LTV of between 30 per cent. and 40 per cent. would be the optimal capital structure for the Company over the longer term. However, in order to finance value enhancing opportunities, the Company may temporarily incur additional gearing, subject to a maximum LTV ratio of 50 per cent., at the time of an arrangement.</p> <p>In the event of a breach of the investment guidelines and restrictions set out above, the Investment Manager shall inform the Directors upon becoming aware of the breach 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 of the Company may only be made with the approval of the Shareholders.</p> <p>The Company intends to conduct its affairs to enable the Group to qualify as a REIT Group for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder) at all material times.</p>
B.35	Borrowing limits	<p>It is envisaged that a LTV of between 30 per cent. and 40 per cent. would be the optimal capital structure for the Company over the longer term. However, in order to finance value enhancing opportunities, the Company may temporarily incur additional gearing, subject to a maximum LTV ratio of 50 per cent., at the time of an arrangement.</p>
B.36	Regulatory status	<p>The Company will not be regulated as a collective investment scheme by the FCA. However, from Admission, it will be subject to the AIM Rules, the Disclosure Guidance and Transparency Rules and the AIFM Directive.</p> <p>It is the expectation of the Directors that, conditionally upon completion of the acquisition of the Tilstone Property Portfolio on Admission, the Group will fulfil the relevant “qualifying conditions” for REIT status. Accordingly the Company will give notice prior to the date of Admission for the Group to become a REIT Group with effect from Admission. As a REIT (amongst other things):</p> <ul style="list-style-type: none"> <li>• the Group will not pay UK income or corporation tax on profits and gains from its Qualifying Property Rental Business;</li> <li>• the Company will be required to distribute to Shareholders at least 90 per cent. of the profits arising from the Group’s Qualifying Property Rental Business; and</li> <li>• subject to certain exemptions, the Company will be required to withhold tax at source from its PIDs.</li> </ul> <p>Under the REIT Regime, a tax charge to UK taxation may currently be levied on the Company if it were to pay a PID to an Excessive Shareholder. The Articles contain provisions relating to Excessive Shareholders.</p>
B.37	Typical investor	<p>The Directors believe that the profile of a typical investor in the Company is an institution or professionally advised individual.</p>

		<p>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 the Ordinary Shares. Investors should ensure they understand and accept the risks inherent in the Company's investment policy.</p>
B.38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable.
B.39	Investment in 40 per cent. or more in single underlying asset or investment company	Not applicable.
B.40	Applicant's service providers	<p>Pursuant to the Investment Management Agreement, the Company has agreed, with effect from Admission, to engage G10 as investment manager until such time as TPL is authorised to act as an alternative investment fund manager by the FCA and thereafter to engage TPL as its investment manager. Prior to being authorised by the FCA, TPL will provide advisory services to G10 and the Company. The services of TPL will be exclusive to the Company.</p> <p>The Investment Manager is responsible for portfolio and risk management and monitoring of the assets of the Company and has full discretionary authority over the acquisition and disposition of the Company's assets, with power to incur borrowings, give guarantees and securities and undertake other transactions on behalf of the Company in accordance with the Investment Management Agreement and the Company's investment policy and in compliance with the AIFM Directive.</p> <p>The liability of the Investment Manager is limited and it is entitled to certain indemnifications from the Company. The Investment Manager maintains professional indemnity insurance in accordance with its obligations under the AIFM Directive to cover potential liability risks arising from professional negligence.</p> <p>The Investment Manager will receive an annual fee (payable quarterly in arrears) equal to 1.1 per cent. of the NAV of the Company's portfolio on the basis of funds being fully invested up to £500 million and 0.9 per cent. thereafter, provided that for the period of six months from the date of Admission this excludes any uninvested cash which represents five per cent. or more of the NAV of the Company's portfolio. The fee will be payable to TPL, which will then pay a quarterly amount of £10,500 to G10 for the duration of its appointment.</p> <p>No performance fee and no acquisition fee will be payable.</p> <p>In the event that the Investment Management Agreement is terminated following a third party (or third parties acting in</p>

		concert) acquiring a majority of the Ordinary Shares, the Investment Manager will be entitled to receive an exit fee equal to 15 per cent. of the total shareholder returns (defined as the price per share paid by such third party plus dividends and other distributions) generated since Admission, above a hurdle rate of 10 per cent. per annum on a compound basis since Admission. The exit fee will be capped at the amount of the annual management fee paid in the immediately preceding financial year.
B.41	Regulatory status of Investment Manager	The Investment Manager (being G10 with effect from Admission and TPL with effect from the date that it is authorised to act as alternative investment fund manager by the FCA) is authorised and regulated by the FCA.
B.42	Calculation of NAV	<p>The properties acquired by the Company will be valued by the Valuer.</p> <p>The NAV attributable to the Ordinary Shares will be published six monthly based on the most recent valuation of the Company's portfolio and in accordance with IFRS.</p> <p>The NAV will be calculated by the Company's administrators and published through a Regulatory Information Service as soon as practicable after the end of the relevant quarter. It is expected that the first NAV of the Ordinary Shares will be published as at 31 March 2018.</p> <p>The calculation of the NAV per Ordinary Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.</p>
B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	No financial statements have been made up	Not applicable. Whilst the Prospectus contains only limited historical financial information about the Company on the basis that the Company is recently incorporated and has not commenced operations, it does include: (i) financial information on the Company for the period from incorporation on 24 July 2017 to 31 July 2017; and (ii) an unaudited pro forma statement of net assets as at 31 July 2017.
B.45	Portfolio	On Admission, the Company will acquire the Tilstone Property Portfolio, a portfolio of warehouse assets comprising 27 freehold and leasehold properties located across the UK. The Tilstone Property Portfolio is diversified between the following sectors: Industrial 74 per cent., Retail 17 per cent. and Trade 9 per cent. Following Admission, the Company will continue to invest in warehouse assets in line with its investment policy.
B.46	NAV	Not applicable. No valuation of the NAV per Ordinary Share has been carried out to date.

<b>Section C – Securities</b>		
C.1	The Ordinary Shares	Ordinary Shares of £0.01 each in the capital of the Company. When admitted to trading on AIM, a market operated by London Stock Exchange, the Ordinary Shares will be registered with ISIN GB00BD2NCM38 and SEDOL number BD2NCM3.
C.2	Currency of the Issue	The Company will issue Ordinary Shares denominated in Sterling.
C.3	Ordinary Shares in issue	At the date of this Prospectus the Company has in issue one Ordinary Share and 50,000 Redeemable Ordinary Shares in the capital of the Company, all of which are fully paid up. The Redeemable Ordinary Shares shall be redeemed by the Company immediately on Admission.
C.4	Rights attached to the Ordinary Shares and the Redeemable Ordinary Shares	<p>Ordinary Shares</p> <p>Voting Rights</p> <p>Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, Shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company.</p> <p>Each Shareholder being present in person or by proxy or by a duly authorised representative (if a company) at a general meeting shall upon a show of hands have one vote and upon a poll all Shareholders shall have one vote for every Ordinary Share held.</p> <p>Dividend rights</p> <p>Shareholders will be entitled to receive such dividends as the Directors may resolve to pay to them out of the assets attributable to their Ordinary Shares.</p> <p>Return of capital</p> <p>Holders of Ordinary Shares are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Ordinary Shares in a winding up of the Company or a winding up of the business of the Company.</p> <p>Redeemable Ordinary Shares</p> <p>The Redeemable Ordinary Shares shall be redeemed by the Company immediately upon Admission in consideration of the payment of a sum equal to the amount received by the Company in payment up of the amount due on the Redeemable Ordinary Shares.</p> <p>In all other respects, the rights of the Redeemable Ordinary Shares are the same as, and rank <i>pari passu</i> with, the Ordinary Shares.</p>
C.5	Restrictions on transferability	Subject to the Articles (and the restrictions on transfer contained therein) a Shareholder may transfer all or any of his Ordinary Shares in any manner which is permitted by law or in any other lawful manner which is from time to time approved by the Board.

		<p>The Ordinary Shares have not been, nor will be, registered in the United States under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, 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 U.S. Persons (as defined in the Securities Act) and on the resale of Ordinary Shares by any Shareholders to any person who is located in the United States or is a U.S. Person (as defined in the Securities Act) and on the resale of Ordinary Shares by any Shareholders to any person who is located in the United States or is a U.S. Person.</p>
C.6	Application for Admission	<p>Application will be made for all of the Ordinary Shares, being the Existing Ordinary Share and the new Ordinary Shares that will be issued in connection with the Acquisition and the Issue, to be admitted to trading on AIM, a market operated by the London Stock Exchange. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or to be dealt in on any other exchange. It is expected that Admission will become effective, and that dealings will commence in the Ordinary Shares on AIM, at 8:00 a.m. (London time) on 20 September 2017.</p>
C.7	Dividend policy	<p>The Company intends to pay interim dividends on a quarterly basis in cash. Subject to market conditions and the level of the Company's net income, the first interim dividend is expected to be declared in January 2018 of approximately 1p per share and then again in May 2018 for the period ending 31 March 2018 of approximately 1.5p per share and will represent a dividend yield covered by earnings equivalent to approximately 4.5 per cent. per annum. For the year ending 31 March 2019, the Company expects to pay a total dividend of 5.5p equivalent to a yield of 5.5 per cent. covered by earnings and thereafter will adopt a progressive dividend policy in-line with anticipated growth in earnings and will target a dividend equivalent to at least 6 per cent. in line with the REIT requirements to distribute at least 90 per cent. of its property income as set out below, all dividend yields by reference to the Issue Price.</p> <p>The Company may offer Shareholders the opportunity to receive dividends in the form of further Ordinary Shares.</p>

#### Section D – Risks

D.1	Key risks – the Company and its industry	<ul style="list-style-type: none"> <li>• The Company cannot guarantee that it will obtain REIT status nor can it guarantee that it will maintain continued compliance with all of the REIT conditions. If the Company was to leave the REIT Regime within 10 years of joining, HMRC has wide powers to direct how it would be taxed which could have a material impact on the financial condition of the Company.</li> <li>• The performance of the Company would be adversely affected by a downturn in the property market in terms of market value or a weakening of rental yields.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Investments in property are inherently illiquid. Such illiquidity may affect the Company's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices. This could have an adverse effect on the Company's financial condition and results of operations.</li> <li>• The Company is required to comply with health and safety laws and regulations. A violation of health and safety laws or regulations relating to the Company's properties or a failure to comply with the instructions of the relevant health and safety authorities in respect of such properties could lead to criminal liability, criminal fines, costly compliance procedures, negative publicity, reputational damage and and/or in certain circumstances a temporary shutdown of all or part of the Company's properties. Such violations, if substantial, could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.</li> <li>• The value of property and property-related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There can be no assurances that the estimates resulting from the valuation process will reflect actual realisable sale prices.</li> <li>• The Company will incur certain fixed costs on the acquisition of properties, including stamp duty land tax, which will reduce the NAV per Ordinary Share immediately following the acquisition. There is no guarantee that the value of the properties will increase to an amount in excess of these costs.</li> <li>• The Company will be reliant on the skills of the Investment Manager and may be adversely affected if it underperforms or its services cease to be available to the Company.</li> <li>• The UK's decision in the referendum held on 23 June 2016 to leave the EU has led to a significant period of uncertainty. As at the date of this Prospectus, the full extent of Brexit is unknown but there will be a period of significant uncertainty in relation to regulation and tax legislation, the commercial property market in the UK (including the warehouse sector) and the stock market which may have a detrimental effect on Shareholder returns, NAV and the price of Ordinary Shares.</li> </ul>
D.2	Key risks – specific to the Company	<ul style="list-style-type: none"> <li>• The Company is a newly incorporated company which has no track record of past performance.</li> <li>• The Company intends to use borrowings to acquire further properties and those borrowings may not be available at the appropriate time or on suitable terms. If borrowings are not available on suitable terms or at all this will have a material adverse impact on the returns to Shareholders and in particular the level of dividends paid.</li> </ul>

		<ul style="list-style-type: none"> <li>• Both the rental income and the market value of the properties acquired by the Company will be affected by the operational performance of the properties or the related business being carried on in the property and the general financial performance of the tenants.</li> <li>• Whilst the use of borrowings should enhance the NAV where the value of the Company'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 Company's portfolio falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company.</li> <li>• The Company is a closed-ended company that invests in illiquid assets. The main liquidity risks for the Company result from the need to finance investments, including repaying any short term borrowings, and the illiquid nature of the investments.</li> </ul>
D.3	Key risks – the Ordinary Shares	<ul style="list-style-type: none"> <li>• The market value of, and the income derived from, the Ordinary Shares can fluctuate. The market value of the Ordinary Shares, as well as being affected by their NAV and prospective NAV, also takes into account their dividend yield and prevailing interest rates.</li> <li>• The Company is a closed-ended company that invests in illiquid assets. Shareholders do not have the right to redeem their Ordinary Shares.</li> <li>• There is no guarantee that a liquid market will be established in the Ordinary Shares.</li> <li>• The Company's ability to pay dividends will depend principally upon the rental income generated from the properties owned by the Company.</li> <li>• Dividend growth will depend principally on growth in rental income and other income returns on the underlying assets and the extent to which the Company is invested.</li> </ul>

#### Section E – Offer

E.1	Net proceeds of the Issue and estimated expenses	<p>The costs and expenses of the Issue include the costs of incorporation of the Company, the fees and commissions payable to Peel Hunt and the fees payable to professional advisers and other related expenses in connection with the Issue. Although the Issue Costs will vary depending upon the number of subscriptions received under the Issue, assuming the maximum number of Ordinary Shares are subscribed under the Issue, the Issue Costs, which will be indirectly borne by investors, are not expected to exceed 2.0 per cent. of the aggregate value, at the Issue Price, of the Issue Shares and the Consideration Shares. Assuming the maximum number of Ordinary Shares are subscribed under the Issue, the Issue Costs are expected to be equivalent to £3,200,000.</p> <p>The net proceeds of the Issue are therefore expected to be £146,800,000.</p>
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E.2a	Reasons for the offer, use of proceeds, estimated net amount of the proceeds	The net proceeds of the Issue are expected to be £146.8 million (assuming the maximum number of Ordinary Shares are subscribed under the Issue) and they are intended to be used by the Company to: (a) pay the Cash Consideration (including any post-completion net asset adjustment) due pursuant to the Acquisition; (b) repay the Debt Repayment Amount secured on properties in the Tilstone Property Portfolio; (c) discharge the Unsecured Subordinated Shareholder Debt held by the Tilstone Investors and Associated Lenders; and (d) purchase a diversified portfolio of additional properties in accordance with the Company's investment policy.
E.3	Terms and conditions of the offer	<p>The Issue comprises the Placing and the Offer for Subscription (including the Intermediaries Offer).</p> <p>The Issue, which is not underwritten, is conditional, <i>inter alia</i>, on:</p> <ul style="list-style-type: none"> <li>• the Placing and Offer Agreement having become unconditional (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission;</li> <li>• Admission becoming effective not later than 8.00 a.m. on 20 September 2017 or such later time and/or date as Peel Hunt, TPL and the Company may agree in writing, being not later than 8.00 a.m. on 31 October 2017; and</li> <li>• the Minimum Gross Issue Proceeds being raised.</li> </ul>
E.4	Material interests	Not applicable. As at the date of this Prospectus, in so far as is known to the Company, there are no interests, including conflicting interests, that are material to the Issue.
E.5	Selling shareholders and lock up agreements	<p>No person or entity is offering to sell Ordinary Shares as part of the Issue.</p> <p>As required by the AIM Rules, the Directors and Tilstone Investors are prohibited from disposing of Ordinary Shares, or interests in Ordinary Shares for twelve months from Admission subject to certain permitted exceptions.</p> <p>In addition, the Directors and the Tilstone Investors have agreed (as applicable) under the Placing and Offer Agreement and pursuant to the Lock-In Agreement, not to dispose of, or enter into an agreement to dispose of, any Consideration Shares or interests in Consideration Shares for a further period of twelve months following the expiration of the above period, subject to certain customary exceptions or unless Peel Hunt otherwise consents in writing.</p>
E.6	Dilution resulting from the Issue	Not applicable.
E.7	Estimated expenses charged to investors in the Issue	<p>The costs and expenses of the Issue include costs of incorporation of the Company, the commissions payable to Peel Hunt, the fees payable to professional advisers and other related expenses.</p> <p>The costs and expenses of the Issue will be met by the Company out of the proceeds of the Issue. Although the Issue Costs will</p>

	<p>vary depending upon the number of subscriptions received under the Issue, assuming the maximum number of Ordinary Shares are subscribed under the Issue, the Issue Costs, which will be indirectly borne by investors, are not expected to exceed two per cent. of the aggregate value, at the Issue Price, of the Issue Shares and the Consideration Shares. Assuming the maximum number of Ordinary Shares are subscribed under the Issue, the Issue Costs are expected to be £3.2 million.</p> <p>All expenses incurred by any Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.</p>
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## RISK FACTORS

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

*Prospective investors should note that the risks relating to the Group, its industries and the Ordinary Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Group 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 the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.*

*The risks and uncertainties described below represent those the Directors consider to be material as at the date of this Prospectus. However, these risks and uncertainties are not the only ones facing the Group. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, prospects, results of operations and financial condition and, if any or a combination of such risks should occur, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and/or in legal, regulatory and tax requirements. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Group's business prospects, results of operations and financial condition. Investors should consider carefully whether an investment in the Company is suitable for them in the light of the information in this Prospectus and their personal circumstances.*

*The Ordinary Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment. If you are in any doubt about the contents of this Prospectus, you should consult your accountant, legal or professional adviser or financial adviser. An investment in Ordinary Shares is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment.*

### **1 General risks**

- (a) An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this Prospectus may not be suitable for all recipients of this Prospectus. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.
- (b) Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.
- (c) The price of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

## 2 Risks relating to the Company's investments

### 2.1 Risks relating to property and property-related assets

- (a) The Company cannot be sure that it will be successful in obtaining suitable investments in UK commercial property on financially attractive terms. As the Company acquires investment property, the composition of the portfolio of properties owned by the Company may diverge from the profile of properties comprised in the Tilstone Property Portfolio (subject always to compliance with the Company's investment policy).
- (b) Market conditions may have a negative impact on the Investment Manager's ability to identify and execute investments in suitable assets that generate acceptable returns. Market conditions can have a significant negative impact on the availability of credit, property pricing and liquidity levels. Market conditions may restrict the supply of suitable assets that are capable of generating acceptable returns whilst adverse market conditions may lead to increasing numbers of tenant defaults. Adverse market conditions and their consequences may have a material adverse effect on the Company's business, results of operations and cash flows.
- (c) The Company's performance will be affected by, amongst other things, general conditions affecting the UK property rental market, whether as a whole or specific to the Company's investments, including a decrease in capital values and weakening of rental yields. The value of commercial real estate in the UK can fluctuate sharply as a result of underlying trends, the availability of credit and changes in market confidence. The Company's ability to dispose of its properties, and the price realised in any such disposals, will also depend on the general conditions affecting the investment market at the time of the disposal. The Company's business and results of operations may be materially adversely affected by a number of factors outside of its control, including but not limited to:
  - (i) a general property market contraction;
  - (ii) a decline in property rental values; and
  - (iii) changes in laws and governmental regulations in relation to property, including those relating to permitted and planning usage, taxes and government charges, health and safety and environmental compliance.

Such changes in laws and regulations may lead to an increase in capital expenditure or running costs to ensure compliance which may not be recoverable from tenants. Rights related to particular properties may also be restricted by legislative actions, such as revisions to existing laws or the enactment of new laws.

If conditions affecting the investment market negatively impact on the price at which the Company is able to dispose of its assets, or if the Company suffers a material increase in its operating costs, this may have a material adverse effect on the Company's business and results of operations.

- (d) The Company's investment policy is to invest in UK located warehouse assets. The Company will not invest more generally in UK commercial real estate. Therefore, the Company will not only be affected by general changes in the UK commercial real estate market as outlined above but also any adverse changes that are specific to the warehouse asset class. In view of the Company's focus on the warehouse asset class, any such change could negatively impact on the price at which the Company is able to dispose of its assets, or if the Company suffers a material increase in its operating costs, this may have a material adverse effect on the Company's business and results of operations.
- (e) Locating suitable properties and negotiating acceptable purchase contracts, conducting due diligence and ultimately investing in a property typically requires a significant amount of time. The Company may face delays in locating and acquiring suitable investments and, once the properties are identified, there could also be delays in obtaining the necessary approvals. The

Company's inability to select and invest in properties on a timely basis may have a material adverse effect on the potential returns to Shareholders and delay or limit distributions to Shareholders by the Company.

- (f) The Company will incur certain fixed costs on the acquisition of properties, including stamp duty and/or stamp duty land tax which will reduce the NAV per Ordinary Share immediately following the acquisition. There is no guarantee that the value of the properties will increase to an amount in excess of these costs. In addition, certain costs such as financing, valuations and professional services will be incurred even where proposed investments do not proceed to completion. There can be no assurance as to the level of such costs, and given that there can be no guarantee that the Company will be successful in its negotiations to acquire any given property, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's results of operations and financial condition.
- (g) While the Investment Manager will seek to spread risk relating to tenant concentration, there is the possibility that, from time to time, the Company has a concentrated number of tenants and material exposure to the financial strength and the operational performance of those tenants.
- (h) Both the rental income and the market value of the properties acquired by the Company will be affected by the operational performance of the underlying business being carried on at the property and the general financial performance of the operator. The operational performance of a tenant may also be affected by local economic conditions. Both rental income and market values may also be affected by other factors specific to the UK commercial property market, such as competition from other property funds. In the event of default by a tenant if it is suffering financial difficulty or otherwise unable to meet its obligations under its lease, the Company will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, rates and marketing costs and could have a material adverse impact on the financial condition and performance of the Company and/or the level of dividend cover.
- (i) The Company may be exposed to future liabilities and/or obligations with respect to the disposal of investments. The Company may be required, or may consider it prudent, to set aside provisions for warranty claims or contingent liabilities in respect of property disposals. The Company may be required to pay damages (including but not limited to litigation costs) to a purchaser to the extent that any representations or warranties that it has given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants or obligations contained in the disposal documentation. In certain circumstances, it is possible that any representations and warranties incorrectly given could give rise to a right by the purchaser to rescind the contract in addition to the payment of damages. Further, the Company may become involved in disputes or litigation in connection with such disposed investments. Certain obligations and liabilities associated with the ownership of investments (such as certain environmental liabilities) can also continue to exist notwithstanding any disposal. Any such claims, litigation or obligations, and any steps which the Company is required to take to meet these costs, such as sales of assets or increased borrowings, may have a material adverse effect on the Company's results of operations, financial condition and business prospects.
- (j) The Company's properties may suffer physical damage resulting in losses (including loss of rent) which may not be fully compensated for by insurance, or at all. In addition, there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or which are not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, and other factors might also result in insurance proceeds being insufficient to repair or replace a property. Should an uninsured loss or a loss in excess of insured limits occur, the Company may lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Company could be liable to repair damage caused by uninsured risks. The Company might also remain liable for any debt or other financial

obligations related to that property. Any material uninsured losses may have a material adverse effect on the Company's business prospects, results of operations and financial condition.

- (k) The Company is required to comply with health and safety laws and regulations. A violation of health and safety laws or regulations relating to the Company's properties or a failure to comply with the instructions of the relevant health and safety authorities in respect of such properties could lead to criminal liability, criminal fines, costly compliance procedures, negative publicity, reputational damage and and/or in certain circumstances a temporary shutdown of all or part of the Company's properties. Such violations, if substantial, could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.
- (l) Investments in property are inherently illiquid. Such illiquidity may affect the Company's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. This could have an adverse effect on the Company's financial condition and results of operations.
- (m) Prior to entering into any agreement to acquire any property, the Investment Manager, on behalf of the Company, will perform or procure the performance of due diligence on the proposed acquisition target. In so doing, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (such as surveyors' reports, legal reports on title and property valuations). To the extent that the Company, the Investment Manager or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Company may incur, directly or indirectly, unexpected liabilities, such as defects in title, an inability to obtain permits, or environmental, structural or operational defects requiring remediation. In addition, if there is a failure of due diligence, there may be a risk that properties are acquired which are not consistent with the Company's investment objective and investment policy, that properties are acquired that fail to perform in accordance with projections or that material defects or liabilities are not covered by insurance proceeds. This may, in turn, have a material adverse effect on the Company's performance, financial condition and business prospects.

## **2.2 *Risks relating to competition for properties***

The Company may face significant competition from other UK or foreign property investors. Competition in the property market may lead either to an over-supply of commercial premises through over-development or to prices for existing properties being driven up through competing bids by potential purchasers. Accordingly, the existence of such competition may have a material adverse impact on the Company's ability to acquire properties and to secure tenants for its properties at satisfactory rental rates and on a timely basis.

## **2.3 *Risks relating to the development and refurbishment of properties***

- (a) The Group may undertake development and refurbishment work at its properties as well as general maintenance in the ordinary course in order to maintain and enhance the valuation and earning capability of its portfolio. Any such development, refurbishment, enhancement and maintenance works may involve significant costs and may be adversely affected by a number of factors including constraints on location, the need to obtain licences, consents and approvals (including in respect of land use and zoning and planning restrictions, environmental protection, safety and other matters) and reliance on third party contractors to provide such services in accordance with the terms of their appointment and due care and skill. This may cause the revenues resulting from any refurbishment or improvement project to be lower than budgeted or cause the cost of such projects to be greater than budgeted, consequently impacting on the financial condition of the Company. Moreover, applications for such licences, consents and approvals may not always be successful or may be subject to enquiries, appeals and other delays, which could lead to some development and refurbishment works being delayed or abandoned, and may in some cases lead to objections from the local community and associated

negative publicity, all of which could have a material adverse effect on the Company's performance, financial condition and business prospects.

- (b) Certain of the Company's properties may be specifically suited to the particular needs of a certain type of occupant. The Company may need to incur additional capital expenditure on a property in the event that it wanted it to be suitable for other occupants which may have a material effect on the results of operations of the Company and the amount that remains available to distribute to Shareholders.
- (c) As the owner of real property, the Company will be subject to environmental regulations that can impose liability for cleaning up contaminated land, watercourses or groundwater on the Person causing or knowingly permitting the contamination. If the Company acquires contaminated land, it could also be liable to third parties for harm caused to them or their property as a result of the contamination. If the Company is found to be in violation of environmental regulations, it could face reputational damage, regulatory compliance penalties, reduced letting income and reduced asset valuation, which could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

#### **2.4 *Risks relating to valuations***

- (a) The value of property and property related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the valuations of the properties will reflect the actual realisable sale price even where such sales occur shortly after the relevant valuation date.
- (b) The financial markets have seen significant turbulence over the last decade resulting in severe liquidity shortages. The turmoil in the credit markets had an immediate effect on the real estate investment market, resulting in some transactions failing and/or prices being renegotiated downwards. This has caused a marked reduction in the volume of transactions.

#### **2.5 *Risks relating to the reliance on the Investment Manager and its key individuals***

- (a) The ability of the Company to achieve its investment objective depends on the ability of the Investment Manager to identify, select and execute investments which offer the potential for satisfactory returns. The availability of suitable investment opportunities will depend, in part, upon conditions in the UK commercial real estate market, including the level of competition for assets. Whilst the Company has agreed to purchase, subject to the satisfaction of certain conditions, the Tilstone Property Portfolio, there can be no assurance that the Investment Manager will be able to identify and execute on a sufficient number of further acquisitions following Admission to enable the Company to achieve its investment objective or target returns.
- (b) Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Investment Manager's team, and more generally on the ability of the Investment Manager to attract and retain suitable staff. The underperformance or departure of key skilled professionals from the Investment Manager could have a material adverse effect on the Company's business, financial condition and results of operations. The performance of the Investment Manager cannot be guaranteed but the Board will monitor its performance.

### **3 *Risks relating to the Company***

There can be no guarantee that the investment objective of the Company will be met. If this objective is not met Shareholders may not receive an attractive level of income or any income or capital growth in the underlying value of their Ordinary Shares. Shareholders could even lose all or part of their investment in the Company.

#### **3.1 *Risks relating to the Company's lack of operating history***

The Company is a newly incorporated company which has not yet commenced operations and therefore has no track record of past performance or meaningful operating or financial data on which

potential investors may base an evaluation. Although the Company is intending, on Admission, to acquire the Tilstone Property Portfolio, any investment in the Ordinary Shares remains subject to all of the risks and uncertainties associated with any new business including the risk that the business will not achieve its investment objectives and that the value of any investment made by the Company could substantially decline. The past performance of the Tilstone Property Portfolio is not indicative of the future performance and prospects of the Company.

### 3.2 ***Risks relating to the REIT status of the Group***

- (a) It is the expectation of the Directors that, conditionally upon completion of the acquisition of the Tilstone Property Portfolio on Admission, the Group will fulfil the relevant “qualifying conditions” for REIT status. Accordingly, the Company will give notice prior to Admission for the Group to become a REIT Group with effect from Admission. The basis of taxation of any Shareholder’s shareholding in the Company will differ or change fundamentally if the Group fails to obtain, or ceases to maintain, its REIT status.
- (b) The requirements for maintaining REIT status are complex. While minor breaches of the REIT Regime conditions and requirements may result only in specific additional amounts of tax being payable or will not be punished if remedied within a given period of time (provided that the regime is not breached more than a certain number of times), the Company cannot guarantee that the Group will obtain REIT Group status nor can it guarantee that the Group will maintain continued compliance with all of the REIT conditions. There is a risk that the REIT Regime may cease to apply in some circumstances. HMRC may require the Group to exit the REIT Regime if:
  - (i) it regards a breach of the conditions relating to the REIT Regime (including in relation to the Qualifying Property Rental Business) or an attempt to obtain a tax advantage as sufficiently serious;
  - (ii) the Group has committed a certain number of breaches in a specified period; or
  - (iii) it has given the Group at least two notices in relation to the obtaining of a tax advantage within a ten year period.
- (c) In addition, if the conditions for REIT Group status relating to the share capital of the Company or the prohibition on entering into certain prohibited loans are breached or the Company ceases to be UK tax resident, becomes dual tax resident or an open-ended investment company, the Group will automatically lose its REIT status. The Group could therefore lose its status as a REIT Group 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 (and which does not qualify as an institutional investor under Section 528(4A) CTA 2010) or due to a breach of the close company condition if it is unable to remedy the breach within a specified time frame. If the Group were to be required to leave the REIT Regime within ten years of joining, HMRC has wide powers to direct how it would be taxed, including in relation to the date on which the Group would be treated as exiting the REIT Regime, which could have a material impact on the financial condition of the Group and, as a result, Shareholder returns. In addition, incurring a tax liability might require the Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results.
- (d) If the Group fails to maintain a REIT status, its rental income and capital gains will be subject to UK taxation.
- (e) A REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, an Excessive Shareholder. This additional tax charge will not be incurred if the REIT has taken reasonable steps to avoid paying dividends to an Excessive Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where dividends may become payable to an Excessive Shareholder and these provisions are summarised at paragraph 5.2(f) of Part XI: “*Additional Information*” of this Prospectus. These provisions provide the Directors

with powers to identify Excessive Shareholders and to prohibit the payment of dividends on Ordinary Shares that form part of an Excessive Shareholding, unless certain conditions are met. The Articles also allow the Board to require the disposal of Ordinary Shares forming part of an Excessive Shareholding in certain circumstances where the Excessive Shareholder has failed to comply with the above provisions.

### 3.3 *Risks relating to the taxation of the Company*

- (a) The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this Prospectus are those currently available and their value depends on the individual circumstances of investors and the Group. Any change in the Company's or the Group's tax status or in taxation legislation in the United Kingdom or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Group, or affect the Group's ability to achieve its investment objective for the Ordinary Shares or alter the post-tax returns to Shareholders. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.
- (b) Any change (including a change in interpretation) in tax legislation or accounting practice in the United Kingdom could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. Changes to tax legislation could include the imposition of new taxes or increases in tax rates in the United Kingdom. In particular, an increase in the rates of stamp duty land tax could have a material impact on the price at which UK land can be sold, and therefore on asset values.
- (c) If a member of the Group disposes of a property in the course of a trade, any gain will be subject to corporation tax at regular corporate tax rates. For example, acquiring a property with a view to sale followed by a disposal of the property would indicate a trading activity, whereas disposal of a property as part of a normal variation of a property rental portfolio would not typically indicate a trading activity. Whilst the Group does not intend to dispose of property in the course of a trade, there can be no assurance that HMRC will not successfully argue a disposal to have been in the course of a trade with the consequence that corporation tax will be payable in respect of any profits from the disposal of such property.

### 3.4 *Risks relating to laws and regulation which may affect the Company*

- (a) The Company and the Investment Manager are both subject to laws and regulations enacted by national, regional and local governments and institutions. In particular, the Company will be required to comply with certain statutory requirements under English law applicable to an English company, the AIM Rules and the Disclosure Guidance and Transparency Rules. Compliance with and the monitoring of applicable regulations may be difficult, time consuming and costly. Any changes to such regulation could affect the market value of the Company's portfolio and/or the rental income of the portfolio.
- (b) The Company will not obtain political risk insurance. As such, government action could have a significant impact on the target investments of the Company. Changes to the existing legislation or policy or additional legislation or policies may be burdensome for the Company to implement and may as a result have a negative impact on the returns of the Company.
- (c) Government authorities are also actively involved in the application and enforcement of laws and regulations relating to taxation, land use and zoning and planning restrictions, environmental protection and safety and other matters. The application and enforcement of those laws and regulations could have the effect of increasing the expense and lowering the income or rate of return from as well as adversely affecting the value of the Company's assets.
- (d) Improving returns to Shareholders may rely partly on the redevelopment of properties acquired. Such redevelopment will be subject to obtaining planning consents. There can be no guarantee that such planning consents will be provided and if consent is not granted, this may adversely affect the Company's investments.

### 3.5 *Risks relating to the AIFM Directive*

- (a) The AIFM Directive seeks to regulate alternative investment fund managers and imposes obligations on those who manage alternative investment funds in the EU or who market shares in such funds to EU investors. In order to obtain authorisation under the AIFM Directive, an alternative investment fund manager needs to comply with various organisational, operational and transparency obligations, which may create significant compliance costs, some of which may be passed to investors in the alternative investment funds and may affect dividend returns.
- (b) The Company will, following Admission, be an EU AIF for the purposes of the AIFM Directive and related regimes in relevant EU member states. TPL intends to become approved as an authorised investment fund manager. In the interim period, the Company has appointed G10, which is approved, as its alternative investment fund manager.
- (c) Once TPL is approved as an alternative investment fund manager, it will be required to comply with various organisational, operational and transparency obligations, which may create significant compliance costs. If TPL obtains but ceases to maintain its authorisation with the FCA, it may be unable to continue to manage the Company or its ability to manage the Company may be impaired.
- (d) Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that limit the Company's ability to market future issues of its Ordinary Shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Ordinary Shares.

### 3.6 *Risks relating to gearing*

- (a) It is intended that the Company will incur gearing to fund the acquisition of further properties. There is no certainty that such borrowings will be made available to the Company either at all or on acceptable terms which may adversely affect the future prospects of the Company and, as a consequence, returns to Shareholders. If borrowings are not available on suitable terms or at all this will have a material adverse impact on the returns to Shareholders and in particular the level of dividends paid.
- (b) Prospective investors should be aware that, whilst the use of borrowings should enhance the NAV of the Ordinary Shares where the value of the Company'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 Company's portfolio falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.
- (c) The Company will pay interest on any borrowing it incurs. As such, the Company could be exposed to interest rate risk due to fluctuations in the prevailing market rates. Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate cash borrowings. Whilst the Company will seek to mitigate the effect of interest rate movements through the acquisition of interest rate hedging products, there can be no guarantee that such products will be available in the market on terms that are attractive to the Company or that they will completely protect the Company from interest rate fluctuations. In the event that interest rate movements lower the level of income receivable on cash deposits or raise the interest required to be paid by the Company, returns to investors will be reduced.
- (d) Under the REIT legislation, a UK tax charge will arise in the Company if in respect of an accounting period the Group's ratio of income profits to financing costs (in respect of its Qualifying Property Rental Business) is less than 1.25:1.

### 3.7 ***Risks relating to conflicts of interest***

The services of G10, its associates and its and their respective officers and employees, are not exclusive to the Company. Although G10 has given certain undertakings to the Company regarding other mandates, and has in place a conflicts of interest policy, in fulfilling its responsibilities to the Company, it may be subject to certain conflicts of interest arising from its relations with third parties to whom it also owes duties or in whom it has an interest.

As at the date of this Prospectus, TPL only manages the assets included within the Tilstone Property Portfolio and, following Admission, it is envisaged that it will only manage those assets which are owned by the Group. Accordingly, TPL does not currently have, and following Admission is not expected to have, any conflicts of interest with the Group.

### 3.8 ***Risks relating to the economic environment***

Economic conditions in the United Kingdom and elsewhere and, in particular, the availability of credit, may reduce the value of the Company's portfolio once it has been acquired, and may reduce liquidity in the real estate market. The performance of the Company would be adversely affected by a downturn in the property market in terms of market value or a weakening of rental yields. Economic factors impacting on people's earnings and savings will also impact upon people's ability to pay for the goods or services to be provided from the warehouse properties proposed to be invested in by the Company and may therefore impact on the returns of the Company.

### 3.9 ***Risks relating to the political climate in the UK***

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU. The extent of the impact of this decision on the Group will depend in part on the nature of the arrangements that are put in place between the UK and the EU and the extent to which the UK continues to apply laws that are based on EU legislation. The Group may also be subject to a significant period of uncertainty in the period leading to eventual Brexit, including, *inter alia*, uncertainty in relation to any potential regulatory or tax change. In addition, the macroeconomic effect of Brexit on the value of investments in the UK commercial property market, and, by extension, the value of the Group's property portfolio investment in the UK warehouse sector is unknown. The UK's exit from the EU could create significant UK (and potentially global) stock market uncertainty, which may have a material adverse effect on the total Shareholder returns, NAV and price of the Ordinary Shares. It could also potentially increase the regulatory and tax compliance burden on the Group. This could restrict the Group's future activities and thereby negatively affect returns.

As a consequence of the Brexit vote and the outcome of the general election in the UK on 8 June 2017, there is currently uncertainty surrounding the Scottish First Ministers intention to hold a further referendum on Scottish independence from the UK. Should Scotland ultimately become independent of the UK it is unclear what effect (if any) this may have on the Company and any of the investments it may have acquired which are located in Scotland.

In light of the outcome of the general election in the UK on 8 June 2017, there is heightened uncertainty around the UK government. Should there be a change in government, or a further weakening of the existing government's position, this may create uncertain economic conditions and create further uncertainty over the UK's negotiating position with the EU in relation to Brexit, all of which could have a negative impact on economic conditions within the UK including the UK commercial property market. This could also impact negatively on the UK stock market which could have a material adverse effect on total Shareholder returns, NAV and the price of Ordinary Shares.

## 4 ***Risks relating to the Ordinary Shares***

### 4.1 ***Risks in relation to the market value of the Ordinary Shares***

- (a) If the Company's assets do not grow at a rate sufficient to cover the costs of establishing and operating the Company, Shareholders may not recover the amount initially invested.

- (b) The market value of, and the income derived from, the Ordinary Shares can fluctuate. The market value of an Ordinary Share, as well as being affected by its NAV and prospective NAV, also takes into account its dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from its underlying NAV and investors may not get back the full value of their investment.
- (c) Fluctuations could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including rental yields, variations in the Company's operating results or business developments of the Company and/or its competitors. Stock markets have been experiencing significant price and volume fluctuations that have affected market prices for securities.
- (d) The price of an Ordinary Share may also be affected by speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect their respective investments.

#### 4.2 ***Risks relating to the liquidity of the Ordinary Shares***

The Company does not have a fixed winding up date and therefore, unless Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market. The market liquidity of shares in investment companies is frequently less than that of shares issued by larger listed companies and it is possible that there may not be a liquid market in the Ordinary Shares and Shareholders may have difficulty in selling the Ordinary Shares at the quoted market price and/or the prevailing NAV per Ordinary Share, or at all. Further, the London Stock Exchange has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Ordinary Shares may affect the ability of Shareholders to realise their investment.

#### 4.3 ***Risks relating to dividends and target returns***

- (a) There is no guarantee that the target dividend and/or target NAV growth in respect of any period will be paid or achieved, as applicable. The Company's ability to pay dividends will be dependent principally upon its rental income generated from the properties owned by the Company.
- (b) The Company's target dividends and returns for the Ordinary Shares are based on assumptions which the Board and the Investment Manager consider reasonable. However, there is no assurance that all or any assumptions will be justified, and the dividends and returns may be correspondingly reduced. In particular, there is no assurance that the Company will achieve its stated policy on dividends and/or returns. The target dividend and target return are targets only, are not profit forecasts and there is no guarantee that they can or will be achieved. Accordingly they should not be taken as an indication of the Company's expected future performance or results over any period. Consequently, investors should not place any reliance on the target return in deciding whether to invest in the Ordinary Shares.
- (c) Dividend growth on the Ordinary Shares will depend principally on growth in rental and other income returns on the underlying assets (which may fluctuate), capital gains realised as the underlying assets are sold and the extent to which the Company is invested. The net proceeds of the Issue will be used by the Company to make investments in accordance with the Company's investment policy. The timing of any investment in such assets will depend, *inter alia*, on the availability of suitable properties that the Company may let to tenants at reasonable prices. Accordingly, there may be a period of time between completion of the Issue and the proceeds of the Issue being fully invested by the Company. Until the proceeds of the Issue are fully invested they are not expected to generate significant amounts of income and the dividends payable in respect of the Ordinary Shares are likely to exceed the income generated by the proceeds of the Issue until such proceeds are substantially invested in UK commercial properties. Additionally, the Company may only pay dividends from reserves deemed

distributable under the Act. Following Admission, the Company will have negative reserves due to the accounting treatment of its initial costs, but intends to apply to court to cancel its share premium account to create sufficient distributable reserves to enable the Company to pay dividends in the future. There can be no guarantee that the court will approve the cancellation of the Company's share premium account, which would negatively affect the Company's ability to pay dividends.

- (d) If under the laws applicable to the Company there were to be a change to the basis on which dividends could be paid by it, this could have a negative effect on the Company's ability to pay dividends. Furthermore, if there are changes to the accounting standards or to the interpretation of accounting standards applicable to the Company this could have an adverse effect on the Company's ability to pay dividends.
- (e) In the absence of capital and/or income growth in the portfolio of the Company, once the net proceeds of the Issue have been invested the expected dividend policy of the Company will lead to a reduction in the NAV per Ordinary Share.
- (f) The Company will not be able to pursue asset growth through acquisitions solely from cash provided from its operating activities because of its obligation to distribute at least 90 per cent. of the income profits as calculated for tax purposes arising from the Group's Qualifying Property Rental Business each year (either in cash or by way of stock dividend) to Shareholders in order to continue to enjoy the full exemption from tax on rental income afforded by the REIT Regime. The Company would be required to pay tax at regular corporate rates on any shortfall to the extent that it distributes as a PID less than the amount required to meet the 90 per cent. distribution condition each year. Consequently, the Company may be forced to rely on the availability of debt or equity capital to fund future acquisitions. In addition, differences in timing between the receipt of cash and the recognition of income for the purposes of the REIT Regime and the effect of any potential debt amortisation payments could require the Company to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings. As a result of these factors, the constraints of maintaining REIT status could limit the Company's flexibility to make investments.

#### 4.4 ***Risks relating to Ordinary Shares trading at a discount***

The Ordinary Shares may trade at a discount to NAV per Ordinary Share and Shareholders may be unable to realise their investments through the secondary market at a price equal to, or greater than, NAV per Ordinary Share. The Ordinary Shares may trade at a discount to NAV for a variety of reasons, including market conditions or to the extent that investors undervalue the activities of the Investment Manager or discount the Company's valuation methodology and its judgements of value.

#### 4.5 ***Risks relating to buying back Ordinary Shares***

Whilst the Company has passed a special resolution granting the Directors authority to repurchase a percentage of the Company's issued share capital, there is no guarantee that the Directors will exercise their discretion to purchase Ordinary Shares before such authority expires or at all. The purchase of Ordinary Shares by the Company is subject to the working capital requirements of the Company and the amount of cash available to the Company to fund such purchases and is at the absolute discretion of the Directors. No expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Further, where the Directors do exercise their discretion to buy back Ordinary Shares, there can be no guarantee that such a buyback will be successful in mitigating any discount to NAV at which the Ordinary Shares are trading and the Board accepts no responsibility for any failure of any buyback to effect a reduction in any discount.

4.6 ***Any future issue of shares may dilute the holdings of Shareholders and could adversely affect the market price of Ordinary Shares***

The Company has no current plans for an offering of shares following Admission. However, it is possible that the Company may decide to offer additional Ordinary Shares in the future either to raise capital or for other purposes. If Shareholders did not take up such offer of Ordinary Shares or were not eligible to participate in such offering, their proportionate ownership and voting interests in the Company would be reduced and the percentage that their Ordinary Shares would represent of the total share capital of the Company would be reduced accordingly. An additional offering, or significant sales of shares by major shareholders, could have a material adverse effect on the market price of Ordinary Shares as a whole.

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

The Company is not, and does not intend to become, registered in the United States as an investment company under the Investment Company Act and related rules and regulations. 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 is or will be applicable to the Company.

In addition, to avoid being required to register as an investment company under the Investment Company Act, the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of Ordinary Shares held by a person to whom the sale or transfer of Ordinary Shares may cause the Company to be classified as an investment company under the Investment Company Act. These procedures may materially affect certain Shareholders' ability to transfer their Ordinary Shares.

4.8 ***The assets of the Company could be deemed to be "plan assets" that are subject to the requirements of ERISA or Section 4975 of the Internal Revenue Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities***

Under the current Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be "significant" within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25 per cent. or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be "plan assets" within the meaning of the Plan Asset Regulations. After the Issue, the Company may be unable to monitor whether Benefit Plan Investors or investors acquire Ordinary Shares and therefore, there can be no assurance that Benefit Plan Investors will never acquire Ordinary Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25 per cent. threshold discussed above or that the Company's assets will not otherwise constitute "plan assets" under Plan Asset Regulations. If the Company's assets were deemed to constitute "plan assets" within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under ERISA or the Internal Revenue Code, resulting in excise taxes or other liabilities under ERISA or the Internal Revenue Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the Plan's investment in the Ordinary Shares could be liable for any ERISA violations or violations of such Similar Law relating to the Company.

4.9 ***FATCA***

TO ENSURE COMPLIANCE WITH UNITED STATES TREASURY DEPARTMENT CIRCULAR 230, EACH PROSPECTIVE INVESTOR IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US TAX ISSUES HEREIN IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY A PROSPECTIVE INVESTOR FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PROSPECTIVE INVESTOR UNDER APPLICABLE TAX LAW; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF TREASURY DEPARTMENT CIRCULAR 230) OF THE OFFER TO SELL ORDINARY SHARES BY THE

COMPANY; AND (C) A PROSPECTIVE INVESTOR IN ORDINARY SHARES SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT ADVISER.

The Foreign Account Tax Compliance provisions (commonly known as “FATCA”) are US 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 disposition 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 Company (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 be treated as a Reporting FI pursuant to the IGA and that it will 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. However, there can be no assurance that the Company will 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 would 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.

The UK has also concluded similar intergovernmental agreements (“Additional IGAs”) with other jurisdictions (including the Isle of Man, Guernsey and Jersey (the “Crown Dependencies”) and seven of the British Overseas Territories (Cayman Islands, Gibraltar, Montserrat, Bermuda, the Turks and Caicos Islands, the British Virgin Islands and Anguilla)). The Additional IGAs with the Crown Dependencies and Gibraltar may require the Company to report more widely on its Shareholders, although the Company expects that it may be able to benefit from a similar reporting exemption to that contained in the IGA and outlined above. Other jurisdictions are also considering introducing FATCA-style legislation in order to obtain information about their respective tax residents. Again, these may require the Company to report more widely on its Shareholders but the exact scope of such rules will need to be determined on a jurisdiction by jurisdiction basis.

**FATCA, the IGA and the Additional IGAs are complex. The above description is based in part on regulations, official guidance, the IGA and the Additional IGAs, all of which are subject to change. All prospective investors should consult with their own tax advisers regarding the possible implications of FATCA or FATCA-style legislation on their investment in the Company.**

**AN INVESTMENT IN THE COMPANY MAY NOT BE SUITABLE FOR ALL RECIPIENTS OF THIS DOCUMENT. POTENTIAL INVESTORS ARE ACCORDINGLY ADVISED TO CONSULT A PERSON AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 WHO SPECIALISES IN INVESTMENTS OF THIS KIND, AND/OR AN APPROPRIATELY QUALIFIED TAXATION ADVISER, PRIOR TO INVESTING.**

## ISSUE STATISTICS AND EXPECTED TIMETABLE

### ISSUE STATISTICS

Number of Consideration Shares being issued	16,000,000
Number of Ordinary Shares being offered in the Issue <sup>(1)</sup>	150,000,000
Issue Price (per Ordinary Share)	£1.00
Number of Ordinary Shares in issue following the Issue <sup>(2)</sup>	166,000,000
Market capitalisation of the Company following the Issue <sup>(2)</sup>	£166 million
Estimated net proceeds of the Issue receivable by the Company <sup>(3)</sup>	£146.8 million
Estimated NAV per Ordinary Share at Admission <sup>(2)</sup>	98 pence

**Notes:**

- (1) The maximum number of shares being offered in the Issue is 150 million. The Board may, in consultation with TPL and Peel Hunt, increase the number of available shares to 200 million. Any such increase will be announced through a Regulatory Information Service.
- (2) Assuming that the maximum number of 150 million Issue Shares are subscribed.
- (3) Net proceeds receivable by the Company are calculated on the basis of the assumption in note (2) above and are stated after deduction of anticipated Issue Costs (inclusive of applicable VAT) of £3,200,000.

### DEALING CODES

The dealing codes for the Company will be as follows:

ISIN	GB00BD2NCM38
SEDOL	BD2NCM3
Ticker code	WHR
LEI code	213800BQUD83TYQCWN28

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Time and date</i>
Prospectus published	23 August 2017
Placing and Offer for Subscription (including the Intermediaries Offer) opens	8.00 a.m. on 23 August 2017
Latest time and date for receipt of completed Application Forms and payment in full under the Offer for Subscription	1.00 p.m. on 14 September 2017
Latest time and date for receipt of completed Application Forms and payment in full under the Intermediaries Offer	10.00 a.m. on 15 September 2017
Latest time and date for receipt of commitments under the Placing	12.00 noon on 15 September 2017
Announcement of the results of the Issue through a Regulatory Information Service	4.00 p.m. on 15 September 2017
Admission and expected commencement of dealings in Ordinary Shares on AIM <sup>(1)</sup>	8.00 a.m. on 20 September 2017
Completion of the Acquisition	8.00 a.m. on 20 September 2017
CREST accounts to be credited	20 September 2017
Despatch of definitive share certificates (where applicable) <sup>(2)</sup>	Week commencing 25 September 2017

Each of the times and dates in the timetable above is subject to change without further notice. References to a time of day are to London time.

**Notes:**

- (1) Or as soon as practicable thereafter. No temporary documents of title will be issued.
- (2) Or as soon as practicable thereafter.

## DIRECTORS, AGENTS AND ADVISERS

### DIRECTORS, ADVISERS, REGISTERED OFFICE AND HEAD OFFICE

<b>Directors</b>	Neil Kirton – <i>Non-Executive Chairman</i> Stephen Barrow – <i>Non-Executive Director</i> Simon Hope – <i>Non-Executive Director</i> Martin Meech – <i>Non-Executive Director</i> Aimee Pitman – <i>Non-Executive Director</i>
<b>Administrator and Company Secretary</b>	Administrator: Capita Sinclair Henderson Limited Beaufort House 51 New North Road Exeter EX4 4EP  Company Secretary: Capita Company Secretarial Services Limited Beaufort House 51 New North Road Exeter EX4 4EP
<b>Registered Office</b>	Gorse Stacks House George Street Chester CH1 3EQ
<b>Principal Place of Business and business address of the Directors</b>	Gorse Stacks House George Street Chester CH1 3EQ
<b>Investment Manager</b>	On Admission: G10 Capital Limited (part of the Lawson Connor Group) 136 Buckingham Palace Road London SW1W 9SA  Following receipt of FCA approval: Tilstone Partners Limited Gorse Stacks House George Street Chester CH1 3EQ
<b>Nominated Adviser and Broker</b>	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
<b>Legal Advisers to the Company</b>	Reed Smith LLP The Broadgate Tower 20 Primrose Street London EC2A 2RS
<b>English Property and Banking Lawyers to the Company</b>	Temple Bright LLP 81 Rivington Street London EC2A 3AY

<b>Scottish Property Lawyers to the Company</b>	Shepherd and Wedderburn LLP 1 Exchange Crescent Edinburgh EH3 8UL
<b>Northern Irish Property Lawyers to the Company</b>	Tughans LLP Marlborough House 30 Victoria Street Belfast BT1 3GG
<b>Legal Adviser to Peel Hunt</b>	Irwin Mitchell LLP 40 Holborn Viaduct London EC1N 2PZ
<b>Auditors to the Company and reporting accountants</b>	Deloitte LLP 2 New Street Square London EC4A 3BZ
<b>Receiving Agent</b>	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Registrar</b>	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Valuer</b>	Gerald Eve LLP 72 Welbeck Street London W1G 0AY
<b>Property Manager</b>	Savills Plc 33 Margaret Street London W1G 0JD
<b>Depositary</b>	Kingfisher Property Partnerships Limited 41-43 Maddox Street London W1S 2PD

# PRESENTATION OF INFORMATION

## 1 Contents and Distribution of the Prospectus

Recipients of this Prospectus are authorised to use it solely for the purpose of considering an investment in the Ordinary Shares and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information contained in it for any purpose other than considering an investment in the Ordinary Shares. Recipients of this Prospectus agree to these restrictions by accepting delivery of this Prospectus.

**Investors should rely only on the information in this Prospectus. No person has been authorised to give any information or to make any representations other than as contained in this Prospectus in connection with the Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Investment Manager, Peel Hunt or any other person.**

In connection with the Issue, Peel Hunt and any of its affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Issue or otherwise. Accordingly, references in this Prospectus to the 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, placing or dealing by, Peel Hunt and any of its affiliates acting as investors for their own accounts. Peel Hunt 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.

The Company consents to the use of this Prospectus by financial intermediaries in connection with any final placement of securities by financial intermediaries in the UK, the Channel Islands and the Isle of Man on the following terms: (i) in respect of the Intermediaries who have been appointed by the Company prior to the date of this Prospectus, as listed in paragraph 26 of Part XI: “*Additional Information*” of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, a list of which appears on the Company’s website, from the date on which they are appointed to participate in connection with any final placement of securities and, in each case, until the closing of the period for the final placement of securities by financial intermediaries at 10.00 a.m. on 15 September 2017, unless closed prior to that date. **Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company’s consent and the conditions attached thereto.** Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary. The offer period within which any final placement of securities by financial intermediaries can be made and for which consent to use this Prospectus is given commences on 23 August 2017 and closes at 10.00 a.m. on 15 September 2017, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

**Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

The Company accepts responsibility for the information contained in this Prospectus with respect to any subscriber for Ordinary Shares pursuant to any final placement of securities by financial intermediaries.

Any new information with respect to financial intermediaries unknown at the time of approval of this Prospectus will be available on the Company’s website.

None of the Company, the Directors, the Investment Manager or Peel Hunt is making any representation to any offeree, subscriber or purchaser of the Ordinary Shares regarding the legality of an investment by such offeree or purchaser.

The distribution of this Prospectus and the offer of the Ordinary Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Investment Manager or Peel Hunt to permit a public offering of the Ordinary Shares or to permit the possession or distribution of this Prospectus (or any other offering or publicity materials or application form(s) relating to the Ordinary Shares) in any jurisdiction (other than the United Kingdom) where action for that purpose may be required. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a breach of the securities law of any such jurisdictions. The Issue and sale of Ordinary Shares and the distribution of this Prospectus are subject to the restrictions set out in Part VI: “*Details of the Issue and the Consideration Shares*” of this Prospectus.

Prior to making any decision as to whether to invest in Ordinary Shares, prospective investors should read this Prospectus in its entirety. In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiries of the Company and the terms of this Prospectus, including the merits and risks involved.

## **2 Presentation of financial and other information**

The Company is newly formed and as at the date of this Prospectus has not commenced operations and therefore limited financial information is available as at the date of this Prospectus. All future financial information for the Company is intended to be prepared in accordance with IFRS as adopted by the European Union and, unless otherwise indicated, the historical financial information of the Company from the period from incorporation on 24 July 2017 to 31 July 2017 (see Part VII: “*Historical Financial Information of the Company*” of this Prospectus), has been prepared in accordance with IFRS as adopted by the European Union. In making an investment decision, prospective investors must rely on their own examination of the Company from time to time and the terms of the Issue.

Information about the Company’s risk profile and risk management, total leverage, the proportion of assets (if any) subject to special arrangements arising from illiquidity, the maximum permitted leverage and any material change to the arrangements for managing the Company’s liquidity will be provided in the Company’s annual reports.

## **3 Forward Looking Statements**

This Prospectus includes statements that are, or may be deemed to be, “forward looking statements”. These forward looking statements may be identified by the use of forward looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, statements regarding the Group’s intentions, beliefs or current expectations concerning, among other things, the Group’s business, results of operations, financial position, liquidity, prospects, growth and strategies.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Group’s operations, financial position and liquidity, and the development of the markets and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward looking statements contained in this Prospectus. In addition, even if the Group’s results of operations, financial position and liquidity, and the development of the markets and the industries in which the Group operates, are consistent with the forward looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward looking statements including, without limitation:

- materially adverse changes in economic or industry conditions generally or in the markets served by the Group;
- change in costs; and
- other factors discussed in each of the section of this Prospectus headed “*Risk Factors*” and Part I: “*Information on the Group*” of this Prospectus.

Forward looking statements may and often do differ materially from actual results. Any forward looking statements in this Prospectus reflect the Group’s current view as at the date of this Prospectus with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s business, results of operations, financial condition, liquidity, prospects, growth and strategies. Investors should specifically consider the factors identified in this Prospectus, which could cause actual results to differ, before making an investment decision. Subject to the requirements of the AIM Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules, the Company undertakes no obligation publicly to release the result of any revisions to any forward looking statements in this Prospectus that may occur due to any change in the Company’s and/or the Directors’ expectations or to reflect events or circumstances after the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Prospectus might not occur. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision. Investors and Shareholders should note that the contents of these paragraphs relating to forward looking statements are not intended to qualify the statements made as to the sufficiency of working capital in this Prospectus.

#### **4 Market, economic and industry data and third party reports**

This Prospectus includes market share and industry data and forecasts that the Company has obtained from industry publications, surveys and internal company sources. As noted in this Prospectus, the Company has obtained market and industry data relating to the Group’s business from the following providers of industry data:

- Retail Economics Report: UK Online Retail, published January 2017;
- Kemp, Simon: Digital in 2016: We Are Social’s Compendium of Global Digital, Social and Mobile Data, Trends and Statistics, published in January 2016;
- Lowe, Richard and Rigby, Mike (Barclays): The Last Mile – Exploring the online purchasing and delivery journey, published in September 2014;
- Mofid, Kevin et al: Savills World Report, UK Logistics – Big Shed Briefing, published in January 2017;
- Jones Lang LaSalle: UK Property Index Q2, published 2016;
- Lambert Smith Hampton, LSH Research and Redbox: Industrial & Logistics Market 2017, published March 2017; and
- Wood, Trevor: The Definitive Guide to Retail & Leisure Parks 2016, published 2016.

The Company has commissioned the Valuer to produce a report on the Tilstone Property Portfolio, a copy of which can be found in Part V: “*Valuation Report*” of this Prospectus.

All other sources referenced in this Prospectus are publicly available or historically commissioned reports, and are not expert reports for the purposes of the Prospectus Rules. The Company has not independently verified any of the data from third-party sources nor has it ascertained the underlying economic assumptions relied upon therein. Statements or estimates as to the Group’s market position, which are not attributed to independent sources, are based on market data or internal information currently available to the Company. The Company confirms that information sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published from third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **5 No incorporation of website information**

Information contained on the Group's website is not incorporated into and does not form part of this Prospectus.

## **6 References to defined terms**

Certain terms used in this Prospectus, including certain capitalised terms and certain technical and other terms are defined in Part XII: "*Definitions*" of this Prospectus.

## **7 General Notice**

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for prospective investors' information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. Prospective investors should consult with an appropriate independent professional advisor for specific advice rendered on the basis of their particular situation.

## **8 For the Attention of Prospective Investors in the European Economic Area**

In relation to each Member State, no Ordinary Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a document in relation to the Ordinary Shares which has 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 Directive, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Member State:

- to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;
- to fewer than 100, or, if the Member State has implemented the provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Member State; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a document pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Member State and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Issue will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU) (the "2010 PD Amending Directive"), to the extent implemented in the Member State and includes any implementing measure in each Member State.

In addition, Ordinary Shares will only be offered to the extent that the Company: (i) is permitted to be marketed into the EEA jurisdiction pursuant to the AIFM Directive (if and as implemented into local law); or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor). Each person who initially acquires Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted to and agreed with the entity placing such shares and the Company that: (i) it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2.1 of the Prospectus Directive; and (ii) if that Member State has implemented the AIFM Directive, that it is

a person to whom Ordinary Shares may lawfully be marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that Member State.

## **9 For the Attention of Prospective Investors in Guernsey**

The Issue that is referred to in this Prospectus are available, and are and may be made, in or from within the Bailiwick of Guernsey, and this Prospectus may only be distributed or circulated directly or indirectly in or from within the Bailiwick of Guernsey:

- (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended); or
- (ii) to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended).

The Issue and the Prospectus are not available in or from within the Bailiwick of Guernsey 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.

## **10 For the Attention of Prospective Investors in Jersey**

Subject to certain exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of Ordinary Shares, and this Prospectus relating to the Ordinary Shares 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.

## **11 For the Attention of Prospective Investors in the Isle of Man**

The Issue is available, and is and may be made, in or from within the Isle of Man and this Prospectus 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 Issue referred to in the Prospectus and the Prospectus 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.

## **12 Latest Practicable Date**

Unless otherwise indicated, the latest practicable date for the inclusion of information in this Prospectus is at close of business on 22 August 2017.

## **13 Governing Law**

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

# PART I

## INFORMATION ON THE GROUP

### 1 Introduction

Warehouse REIT plc (the “Company”) is a newly incorporated, externally managed, closed-ended investment company that has been established with an indefinite life.

The Company will invest in a diversified portfolio of UK warehouse assets to achieve its investment objective of providing Shareholders with an attractive level of income together with the potential for income and capital growth. The Company’s investment policy is set out in full in paragraph 2 of this Part I.

The Company has deliberately targeted the warehouse sector for its investment focus as this part of the UK commercial property market has historically demonstrated, and continues to demonstrate, a number of attractive characteristics, including strong rental growth driven in part by constrained supply, further details of which are set out in paragraph 3 of this Part I. This focus will also allow the Company to take advantage of the growing occupier demand for warehouse properties to service the “last mile” economy which is being driven by significant growth in internet shopping and the on-line delivery sector. Further details of the UK warehouse market are set out in Part II: “*The Warehouse Rental Market*” of this Prospectus.

The Company has entered into arrangements to acquire, conditional upon Admission, the Tilstone Property Portfolio in consideration for the allotment of the Consideration Shares and payment of the Cash Consideration to the Tilstone Investors, all of whom are linked, either directly or indirectly, to Tilstone Partners Limited (“TPL”). The Tilstone Investors have been assembling the Tilstone Property Portfolio since August 2013 with the assistance of Savills and financing support from HSBC. The Acquisition will provide the Company on Admission with a hand-picked seed portfolio of 27 assets valued in aggregate at £108.85 million, each of which reflects and adheres to the Company’s investment criteria. The Tilstone Property Portfolio will provide Shareholders with an immediate source of income and the potential for both income and capital growth whilst demonstrating the capability of TPL to source, with the assistance of Savills, appropriate investments on behalf of the Company. Further information regarding the Acquisition and the Tilstone Property Portfolio is set out, respectively, in paragraph 4 of this Part I and in Part IV: “*The Tilstone Property Portfolio*” of this Prospectus.

Pursuant to the Issue, the Company is proposing to issue up to 150 million Ordinary Shares to raise gross proceeds of up to £150 million but in any event not less than £80 million. The proceeds of the Issue will be used to acquire the Tilstone Property Portfolio, repay certain debt secured on that portfolio and to fund future acquisitions. The Issue is not being underwritten. In the event that the Issue fails to raise the Minimum Gross Issue Proceeds, the Issue and Admission will not proceed unless, with Peel Hunt’s agreement, a supplementary prospectus containing a new working capital statement is published. Further details of the Issue are set out in Part VI: “*Details of the Issue and the Consideration Shares*” of this Prospectus.

The Company is an alternative investment fund (“AIF”) for the purposes of the AIFM Directive and as such is required to have an investment manager who is duly authorised to undertake the role of an alternative investment fund manager. The intention is that TPL will fulfil this role and be appointed as the alternative investment fund manager once it has been approved as such by the FCA. Further details of the proposals regarding the Investment Manager are set out in paragraph 11 of this Part I.

It is intended that the Company will give notice for the Group to become a REIT shortly after Admission and thereafter will at all relevant times operate as a REIT. Further details of the REIT Regime and the tax implications of the Company being a REIT are set out in Part IX: “*The REIT Regime*” and Part X: “*United Kingdom Taxation of Shareholders after entry into the REIT Regime*” of this Prospectus.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or to be dealt in on any other exchange. It is expected that Admission will become effective, and that dealings will commence in the Ordinary Shares on AIM, at 8:00 a.m. on 20 September 2017.

## 2 Investment policy and objective

The Company's investment objective is to provide Shareholders with an attractive level of income together with the potential for income and capital growth by investing in a diversified portfolio of UK commercial property warehouse assets.

The Company 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 invest and manage its portfolio with an objective of spreading risk and, in doing so, will maintain the following investment restrictions:

- the Company will only invest, directly or indirectly, in warehouse assets located in the UK;
- no individual warehouse property will represent more than 20 per cent. of the last published gross asset value of the Company at the time of investment;
- the Company will target a portfolio with no one tenant accounting for more than 10 per cent. of the gross Contracted Rents of the Company at the time of purchase. In any event, no more than 20 per cent. of the gross assets of the Company will be exposed to the creditworthiness of any one tenant at the time of purchase;
- the portfolio will be diversified by location across the UK with a focus on areas with strong underlying investment fundamentals; and
- the Company will not invest more than 10 per cent. of its gross assets in other listed closed-ended investment funds.

The Company will consider investments where there is potential for active asset management, including general refurbishment works.

The Company will not undertake speculative development (that is, development of property which has not been at least partially leased or pre-leased or de-risked in a similar way), save for refurbishment and/or extension of existing holdings. The Company may, provided that the exposure to these assets at the time of purchase shall not exceed 15 per cent. of the gross assets of the Company, invest directly, or via forward funding agreements or forward commitments, in developments including pre-developed land, where the structure is:

- (i) designed to provide the Company with investment rather than development risk;
- (ii) where the development has been at least partially pre-let or sold or de-risked in a similar way; and
- (iii) where the Company intends to hold the completed development as an investment asset.

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 also invest in derivatives for the purpose of efficient portfolio management. In particular, the Company may engage in interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company's efficient portfolio management strategy.

It is envisaged that a LTV ratio of between 30 per cent. and 40 per cent. would be the optimal capital structure for the Company over the longer term. However, in order to finance value enhancing opportunities, the Company may temporarily incur additional gearing, subject to a maximum LTV ratio of 50 per cent., at the time of an arrangement.

In the event of a breach of the investment guidelines and restrictions set out above, the Investment Manager shall inform the Directors upon becoming aware of the breach 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 of the Company may only be made with the approval of Shareholders.

The Company intends to conduct its affairs to enable itself to qualify as the principal company of a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

### **3 The investment case for the warehouse property sector**

The Company intends to invest in the UK warehouse property market, further information on which is provided in Part II: “*The Warehouse Rental Market*” of this Prospectus. Given that the urban warehouse sector is experiencing an increase in demand from e-commerce, the Company will focus on acquiring multi-let urban warehouse estates and some single let assets located close to conurbations and/or motorways. Urban warehouses are experiencing strong occupier demand not only from businesses that operate in the “last mile” economy but also from a diverse range of other sectors, thereby increasing competition for these units. The urban warehouse sector is separate to and can be distinguished from the Big Box dominated pure distribution/logistics sector. The Company’s investment focus on urban warehouses provides a number of advantages:

- the urban warehouse sector offers one of, if not the highest, initial yields of all UK property sectors;
- sustainable current rental levels;
- constrained supply (driven in part by the cost of replacement being higher than the investment value of the underlying buildings) of new stock being developed over the last 10 years and very little development being planned over the next 5 years, all of which has frustrated occupier choice and resulted in rental growth;
- increasing occupier demand driven by the rise in internet shopping and the “last mile” delivery sector;
- flexibility in building use (subject, where applicable, to applicable planning permissions) which has already evolved significantly over time and which provides potential value add opportunities;
- low levels of building obsolescence; and
- prevailing shorter WAULTs providing opportunities to improve income security and add value.

The Company and TPL will focus on the acquisition of assets most likely to benefit from rental growth. Rather than being a passive investor, the Company and TPL believe in acquiring assets with added value opportunities which are capable of being realised through pro-active management in accordance with the Company’s investment policy. The Directors recognise that there is a strong correlation between the rental value of a warehouse and its permitted use under the planning system. Successfully securing planning permission for the change of use of a warehouse to either trade counter or retail, for example, can have the effect of doubling the rental value. Working closely with the planning team at Savills, TPL have already achieved some success in this regard in relation to the Tilstone Property Portfolio and TPL believe that there remains further opportunities within the Tilstone Property Portfolio to increase rental returns in this way. TPL believe that any objective to obtain planning permission should be coupled with and based upon a detailed understanding of occupiers’ requirements to ensure that the right level of space is created, in suitable locations and with the appropriate permitted use so as to maximise value.

### **4 The Tilstone Property Portfolio**

The Tilstone Property Portfolio, which as at the date of this Prospectus has been valued at £108.85 million, comprises a diversified portfolio of freehold and long leasehold (over 60 years remaining at the time of acquisition)<sup>1</sup> warehouse assets located within the UK and includes warehouses in the industrial/manufacturing, storage and distribution, trade-counter and retail warehouse/leisure sub-sectors. A majority of the Tilstone Property Portfolio comprises multi-let warehouse assets. Further details of the properties comprised within the Tilstone Property Portfolio are set out in Part IV: “*The Tilstone Property Portfolio*” and in the valuation report at Part V: “*Valuation Report*” of this Prospectus.

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1. Two of the leasehold properties within the Tilstone Property Portfolio with a combined value of £760,000 currently have less than 60 years unexpired lease terms although TPL is currently negotiating a new 125 year head lease in respect of one of these assets leaving the other asset with a 57 year unexpired lease term.

## 5 Finance arrangements

The Tilstone Property Portfolio has been funded through a combination of debt and equity finance arrangements provided by the Tilstone Investors, the Associated Lenders and third party finance provided by HSBC and Tedel.

Tilstone Holdings has the benefit of a term loan facility for an amount of £29.3 million (at an interest rate of 2.50 per cent. above LIBOR) together with a revolving credit facility of £15 million (at an interest rate of 2.75 per cent. above LIBOR) provided by HSBC. As at the date of this Prospectus, approximately £27.8 million and £13.9 million has been drawn down respectively under these facilities. The HSBC Facility Agreement is described in more detail in paragraph 13.5 of Part XI: “*Additional Information*” of this Prospectus.

Following Admission, it is the intention that the revolving credit facility will be repaid. The Company anticipates that Tilstone Holdings will be able thereafter to amend the provisions of the HSBC Facility Agreement so as to increase the term loan facility to £30 million (at an interest rate of 2.25 per cent. above LIBOR) and increase the revolving credit facility to £35 million (at an interest rate of 2.4 per cent. above LIBOR), in each case extending the term of the loans to five years from the date of the amendment. In obtaining these amended terms, Tilstone Holdings will be required to adhere to an LTV ratio of not greater than 50 per cent.

Tilstone Warehouse has the benefit of a term loan facility for an amount of £40 million provided by Tedel of which approximately £33.5 million is drawn as at the date of this Prospectus. The Tedel Facility will be repaid in full on Admission. An early repayment charge equivalent to 0.5 per cent. of the total amount of the Tedel Facility will be incurred. This charge will be paid by Tilstone Warehouse from funds made available to it by the Company out of the proceeds of the Issue. The Tedel Facility Agreement is described in more detail in paragraph 13.8 of Part XI: “*Additional Information*” of this Prospectus.

Within the Tilstone Subsidiaries there is approximately £8.9 million of subordinated shareholder debt provided by the Tilstone Investors and the Associated Lenders and it is intended that this will be repaid by the Company on Admission out of the proceeds of the Issue.

## 6 The Acquisition

The Company has entered into the Acquisition Agreements with the Tilstone Investors pursuant to which the Company has conditionally agreed to acquire the Tilstone Property Portfolio, further information on which is set out in Part IV: “*Tilstone Property Portfolio*” and Part V: “*Valuation Report*” of this Prospectus.

Immediately prior to Admission, the Tilstone Property Portfolio will be owned by the Tilstone Subsidiaries. The Tilstone Holdings Subsidiaries are wholly-owned subsidiaries of Tilstone Holdings and the Tilstone Warehouse Subsidiaries are wholly-owned subsidiaries of Tilstone Warehouse.

Pursuant to the terms of the Acquisition Agreements, the Company will acquire the entire issued share capital of Tilstone Holdings and Tilstone Warehouse from the Tilstone Investors. Accordingly, on completion of the Acquisition, each of the Tilstone Subsidiaries will become either direct or indirect subsidiaries of the Company. A structure chart showing the Group immediately following Admission is set out in paragraph 3.2 of Part XI: “*Additional Information*” of this Prospectus.

Each of the Acquisition Agreements is conditional upon Admission and completion of the Acquisition will therefore occur automatically upon and simultaneously with Admission. Upon the Acquisition Agreements becoming unconditional and being completed, the Company will pay to the Tilstone Investors, *pro rata* to their respective interests in Tilstone Holdings and Tilstone Warehouse as at the date of this Prospectus, an amount representing the value of the assets within the Tilstone Property Portfolio (including cash and income) reduced by the amount of the outstanding indebtedness as at the date of Admission. The consideration under the Acquisition Agreements will be satisfied by: (i) the issue of the Consideration Shares; and (ii) the payment of the Cash Consideration (together with any post-completion net asset adjustment). In addition, on completion the Company will provide funding to the Tilstone Subsidiaries to repay the drawn amount of approximately £13.9 million of the HSBC revolving credit facility and the drawn

amount of approximately £33.5 million under the Tedel Facility and the subordinated shareholder debt of approximately £8.9 million all as referred to in paragraph 5 of this Part I above.

The Tilstone Warehouse Agreement provides for additional contingent consideration in the total aggregate amount of £900,000 to become payable by the Company to the Tilstone Warehouse Investors *pro rata* to their respective interests in Tilstone Warehouse as at the date of this Prospectus, in the event that within five years from the date of Admission relevant detailed or outline Development Planning Permission(s) is or are granted by the local planning authority in respect of the property at Queenslie Industrial Estate, Glasgow, Scotland and the Valuer determines that the grant of such Development Planning Permission(s) have increased the value of the property by not less than £900,000. This additional consideration will be payable in cash within 20 Business Days of the latter of the relevant Development Planning Permission being granted and the valuation by the Valuer being finalised. Subject to the agreement of the Board giving consideration to whether such arrangement enhances the NAV of the Company, the Tilstone Warehouse Investors may request that, where due and payable, this additional consideration be satisfied by the issue and allotment to them of fully paid Ordinary Shares in lieu of cash. TPL has already submitted an application in respect of the Development Planning Permission to the relevant planning authorities.

The Tilstone Investors are all related, either directly or indirectly, to TPL whilst two of them are also Directors. On the assumption that the Issue is fully subscribed, the Consideration Shares will represent 9.64 per cent. of the Enlarged Share Capital. Further details of the terms of the Acquisition are set out in the summary of the Acquisition Agreements in paragraph 13.4 of Part XI: “*Additional Information*” of this Prospectus.

## **7 The Issue**

The Issue comprises a Placing and an Offer for Subscription (including an Intermediaries Offer).

The net proceeds of the Issue will be used to:

- (i) pay the Cash Consideration (including any post-completion net asset adjustment) due in connection with the acquisition of the Tilstone Property Portfolio;
- (ii) repay the Debt Repayment Amount which is secured on the properties within the Tilstone Property Portfolio;
- (iii) repay the Unsecured Subordinated Shareholder Debt which is lent against the Tilstone Property Portfolio to the Tilstone Investors and the Associated Investors; and
- (iv) purchase a diversified portfolio of additional properties in accordance with the Company’s investment policy.

Further details of the Issue are set out in Part VI: “*Details of the Issue and the Consideration Shares*” of this Prospectus.

## **8 Key strengths of the Group and TPL**

TPL will, as set out in paragraph 9 of this Part I, be responsible for working with the Company to identify investment opportunities which meet the Company’s investment policy.

The Directors believe that the Company and TPL have a number of key strengths which will assist the Company in meeting its investment objective.

The Tilstone Investors (acting through TPL after its incorporation in February 2017) have established and developed the Tilstone Property Portfolio to its current value of £108.85 million. The TPL management team have 95 years of combined commercial property experience, an established history of buying and letting commercial properties throughout the UK and have developed strong relationships with key participants operating in the warehouse sector.

The Tilstone Property Portfolio has been valued by the Valuer as at 31st March 2017. The TPL management team are confident of increasing the annual rent. If the Company is able to let all of the space that was vacant at the Valuation Date, the annual rent will increase by approximately £0.8 million<sup>2</sup>. TPL believes there will be further income uplifts as the Net Contracted Rents on the Tilstone Property Portfolio rise to ERV, generating an additional amount of approximately £0.5 million per annum. For the avoidance of doubt, this is prior to any additional rental growth (IPF are forecasting rental growth of 2.7 per cent. for 2017 for industrial rents). Furthermore there are ongoing planning strategies for several assets (in locations such as Glasgow and Winsford) where TPL believe successful outcomes will assist in enhancing annual rental income. TPL works hard to keep up to speed with what it terms “space intelligence”, knowing what potential and existing occupiers require from their occupational property strategies and, most importantly, the affordable level of rent. Understanding the value of space to its occupier is fundamental in forecasting future rental growth together with understanding the sustainability of prevailing levels of rental values for a given market. Prior to purchasing any asset, TPL will not just look at the “bricks and mortar”, but will also meet each occupier to understand the business and its current and future property requirements.

TPL believes that there are a number of sources from which it can identify properties to acquire, including auction sales, portfolio sales and single asset disposals sourced from a range of vendors including banks, financial institutions, private individuals and property companies, some directly targeted as owners of properties which meet the Company’s investment criteria. Other sources of transactions include commercial investment agents, accountants, insolvency practitioners and occupational letting agents based in London and the main regional markets.

The Directors believe that it is individual stock selection that ultimately drives investment performance. In preference to acquiring portfolios (which often attract premium prices) TPL will continue to focus on individual asset acquisitions (or acquisitions of small groups of assets) for which it has a set procedure (described in more detail in paragraph 9 below). Ultimately, investment performance comes from consistent rental income growing in real terms from asset management initiatives focused on an in depth knowledge of occupier requirements to ensure buildings offer long term solutions and efficiencies for existing and prospective tenants alike. Provided buildings continue to serve the needs of occupiers, leases are typically renewed and income streams are maintained and grown. TPL has retained 70 per cent. of all lease renewals on the properties within the Tilstone Property Portfolio that have been held for more than two years and maintained the WAULT to break at approximately 6 years from approximately 6.5 years at purchase.

The TPL management team have a history of developing relationships with its tenants, which can lead to other asset management opportunities. By way of example, TPL aims to use its understanding of applicable planning laws to extract value through potential changes of use or the widening of the existing use which can often result in increases to the rental value of a property.

TPL has worked with a number of the UK clearing banks with a strong history of lending against UK commercial property, including warehouses. TPL’s knowledge of prevailing margins and hedging options will enable it to advise the Board on options available to minimise risk whilst taking advantage of existing prevailing low interest rates.

Savills act as property manager to the Tilstone Property Portfolio and will continue to act in that role on behalf of the Group. TPL believe that the strength of their relationship with Savills is a key strength of the Group. This relationship enables the Company to capitalise on the network of Savills offices throughout the UK with its specialisms across a whole range of relevant services. Savills’ access to UK-wide marketed real estate transactions allows the Company to benefit from its leading industrial agency practice, as well as ensuring that TPL has access to Savills’ highly specialist sector knowledge, experience and research. TPL believe that this access will enable the Company to capitalise on multiple asset acquisition opportunities in line with the Company’s investment criteria which will enhance its portfolio.

As at the date of this Prospectus, TPL only manages the assets included within the Tilstone Property Portfolio and, following Admission, it has undertaken in the Investment Management Agreement that it will only manage those assets which are owned by the Group. Accordingly, TPL does not currently have, and following Admission is not expected to have, any conflicts of interest with the Group.

2. It should be noted that the Company assumes the portfolio will have a running void of 5 per cent.

## 9 Investment process and pipeline

### *Sourcing and assessment of investment opportunities*

TPL will be responsible for working with the Company to identify investment opportunities which comply with the Company's investment policy. TPL will assess investment opportunities by taking account of a number of factors including:

- the suitability of the asset for existing and future occupiers to deliver a sustainable income with the potential for growth;
- the location of the potential assets, especially relative to transport infrastructure and the adjacent population;
- the size, configuration and design of buildings to ensure they are and will continue to be "fit for purpose" such that the assets are well placed to avoid potential future obsolescence;
- the quality, diversity and level of the existing income;
- prevailing levels of supply and demand of competing buildings within the local market; and
- potential flexibility to change the permitted use of the asset to either facilitate an increase in rents and/or widen the opportunities for accretive asset management.

The Company will predominantly acquire multi-let warehouse estates, where there is a wide spread of diverse income and which provide significantly more opportunities to add value through active asset management (as compared to single let properties). In addition, multi-let estates benefit from economies of scale, for example: any uplift in rent arising from new lettings following refurbishment will be reflected across the balance of the estate; tenants can be relocated; changes in space requirements can be accommodated in a flexible manner (upwards or downwards); phased refurbishment can help avoid significant vacancies; and lastly, there is no binary risk associated with a single lease expiry.

### *Review and approval*

As soon as a potential opportunity has been identified, TPL will conduct a due diligence exercise (including physical inspection of the property) and negotiate the terms of the purchase with the relevant counterparty. TPL has created a due diligence checklist which sets out the full criteria against which all potential property acquisitions will be assessed to ensure that each complies with the Company's investment policy. Once the checklist has been satisfactorily completed, a report demonstrating compliance with the investment policy (including a cashflow and an internal rate of return forecast) will be submitted to the investment committee of TPL (and to the Board for assets with an individual value above an amount equal to 20 per cent. of the overall portfolio gross asset value) for approval. All approved acquisitions will then be completed, through an established conveyancing law firm which has relevant experience with acquiring commercial properties.

### *Investment monitoring*

The Group's portfolio of properties will be monitored not just in terms of gross yield targets but also in terms of net returns. This will entail TPL reviewing the portfolio of properties on a monthly basis (and *ad hoc*, if required), with particular focus on tracking occupancy rates, rental values and rent collections. TPL will also undertake site visits to the properties on not less than a bi-annual basis. Monitoring the market and building valuation databases with the assistance of Savills' extensive research function will ensure that the Company is in a position to take advantage of potential investment and occupier opportunities.

### *Pipeline*

The Directors and TPL believe there is a strong pipeline and are continually evaluating a number of opportunities which would meet the Company's investment criteria. The Company anticipates building its portfolio through the acquisition of individual or small groups of assets with a typical average purchase price of between £2.5 million to £10 million per property. Assuming the Company raises the estimated net proceeds of £146.8 million, and after payment of: (i) the Cash Consideration; (ii) the Debt Repayment

Amount; and (iii) the Shareholder Debt Repayment Amount, and assuming an LTV of 30 per cent., the Company will have approximately £120 million available for future acquisitions.

TPL continually screens the market place for potential investment opportunities and typically reviews a potential pipeline of £1 billion over a 12 month period and has screened in excess of £750 million of assets so far during 2017. TPL, on behalf of the Company, has already identified a number of assets which meet the Company's investment objective and investment policy, including off-market assets identified through TPL's network. TPL has identified the properties detailed in the table below as potential investment opportunities for the Company and its Group following Admission.

<i>Transaction Status</i>	<i>Property Description</i>	<i>Floor Area (Sq ft)</i> <i>Location</i>	<i>Rent</i>	<i>Capital Required</i>	<i>Net Initial Yield</i>
<b>Contracts Exchanged:</b>	6 acres adjoining existing estate	Banbury	–	£900,000	N/A
<b>Ongoing professional due diligence:</b>	Multi Let estate	53,000 South East	375,000	£5,500,000	6.8%
	Good Multi Let estate with strong rental growth prospects	185,000 North West	800,000	£10,200,000	7.8%
	Multi let estate with potential for logistics development	240,000 Midlands	725,000	£9,200,000	7.9%
	Well located Multi let distribution units	125,000 North West	245,000	£3,200,000	7.7%
<b>Ongoing commercial due diligence by TPL:</b>	Well located Multi let industrial/distribution estate	225,000 North Midlands	1,200,000	£17,000,000	7.1%
	Multi let units adjoining existing Estate	52,000 Banbury	170,000	£1,500,000	10.0%
	Portfolio of North West Multi-let Industrial Estates	440,000 North West	2,300,000	£30,000,000	7.0%
<b>Early stage discussions</b>	Sale and leaseback portfolio with an existing Seed Portfolio tenant	200,000 Regional	800,000	£10,680,000	7.5%
<b>Total</b>		<b>1,520,000</b>	<b>6,615,000</b>	<b>£88,180,000</b>	<b>7.5%</b>

Save in respect of the asset referred to in the table above located at Banbury, which has been valued at £900,000 by the Valuer and in respect of which contracts have been exchanged with a completion date scheduled following Admission, these assets are all subject to ongoing negotiation and due diligence by TPL and/or the professional advisers acting on behalf of the Company. Whilst exclusivity agreements have been entered into with the vendors of a number of the assets restricting them from selling the relevant assets to other parties, neither the Company nor any member of its Group currently has any binding contractual obligation to purchase any of the assets other than the asset at Banbury. There can therefore be no assurance that any of these assets will be purchased by the Company or its Group, but TPL is confident that suitable assets will be identified, assessed and acquired to substantially invest the net proceeds of the Issue within six months following Admission.

## 10 Dividend policy and target returns<sup>3</sup>

The Company intends to pay interim dividends on a quarterly basis in cash. Subject to market conditions and the level of the Company's net income, the first interim dividend is expected to be declared in January 2018 of approximately 1p per share and then again in May 2018 for the period ending 31 March 2018 of approximately 1.5p per share and will represent a dividend yield covered by earnings equivalent to approximately 4.5 per cent. per annum. For the year ending 31 March 2019, the Company expects to pay a total dividend of 5.5p equivalent to a yield of 5.5 per cent. covered by earnings and thereafter will adopt a progressive dividend policy in-line with anticipated growth in earnings and will target a dividend equivalent to at least 6 per cent. in line with the REIT requirements to distribute at least 90 per cent. of its property income as set out below, all dividend yields by reference to the Issue Price.

Subject to applicable law and regulation, the Company may offer Shareholders the opportunity to elect to receive dividends in the form of further Ordinary Shares.

The Company will target an annual return of at least 10 per cent. through a combination of dividends and growth in NAV.

One of the conditions for the Group attaining REIT status is that the Company will be required to meet a minimum distribution test for each accounting period that it is a REIT. This minimum distribution test requires the Company to distribute an amount equal to a corresponding PID from a REIT and a minimum of 90 per cent. of the Company's UK income profits for each accounting period to be paid within 12 months of the end of the accounting period, as adjusted for tax purposes. Further details of the tax treatment of an investment in the Company are set out in Part X: "*United Kingdom Taxation of Shareholders after entry into the REIT Regime*" of this Prospectus.

## 11 Regulatory status

The Company is an AIF for the purposes of the AIFM Directive and as such is required to have an investment manager who is duly authorised to undertake that role. It is intended that, subject to obtaining the necessary regulatory approvals, TPL will act as the Investment Manager. TPL intends to apply to the FCA for approval as an alternative investment fund manager and expects to obtain such approval within six months of Admission.

In the meantime, G10 has been appointed as the Investment Manager until such time as TPL receives approval from the FCA to act as an alternative investment fund manager, at which time TPL will become the Investment Manager. G10 is authorised and regulated by the FCA and as such is subject to minimum regulatory requirements.

G10 has appointed TPL pursuant to the Appointed Representative Letter to act as its appointed representative in respect of the Company. As the appointed representative TPL will be responsible for working with and advising the Company and G10 in respect of sourcing investment opportunities which meet the Company's investment policy. As G10's appointed representative, TPL will be exempt under section 39 of FSMA from the need to be authorised by the FCA to give investment advice and arrange deals in investments. TPL will also be responsible for managing the underlying real estate assets owned by the Group, which activity will not constitute a regulated activity under FSMA. Upon receiving regulatory approval as an alternative investment fund manager, TPL will become the Investment Manager and the relationship with G10 will cease.

The services of G10, its associates and its and their respective officers and employees, are not exclusive to the Company. Although G10 has given certain undertakings to the Company regarding other mandates, and has in place a conflicts of interest policy, in fulfilling its responsibilities to the Company, it may be subject to certain conflicts of interest arising from its relations with third parties to whom it also owes duties or in whom it has an interest. The services of TPL as the Investment Manager, once it has received FCA approval as an AIFM, will be exclusive to the Company.

3. This is a target only and not a profit forecast. There can be no assurance that the target can or will be met and it should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company or assume that the Company will make any distributions at all and should decide for themselves whether or not the target dividend yield is reasonable or achievable.

Further details of the investment management arrangements are provided in paragraph 3 of Part III: “*Board, Investment Manager and Administration*” of this Prospectus. The Investment Management Agreement and the Appointed Representative Letter between the Company, TPL and G10 are described more fully in paragraphs 13.2 and 13.3 of Part XI: “*Additional Information*” of this Prospectus.

## **12 Competition**

The Company will experience competition from third parties when seeking to both: (i) acquire investment assets; and (ii) offer vacant space within its portfolio for letting. TPL is aware of the competition and has had to bid against other investors when assembling the Tilstone Property Portfolio. Investment competition will come from both regional property companies, private equity and UK institutions. An active pipeline of investment stock will be prioritised according to TPL’s perception of market competition. The Company will also compete against other landlords with vacant space when seeking to attract potential tenants to commit to occupy its own empty premises. To understand and evaluate the risk associated with competition, before making new acquisitions TPL will undertake a review of the existing warehouse stock within a similar geographical location to each of the assets and the prevailing level of available space. Undertaking this assessment prior to acquisition will ensure the subject premises are valued at a competitive rate as compared to alternative available stock.

## **13 Valuation**

The Directors and TPL intend to use the Valuer, or another professional independent valuer of equivalent standing, as property valuer to the Group. Full valuations of the Group’s properties will be conducted annually as at the end of each financial year. Interim desktop valuations shall also be performed on a six monthly basis. The valuations of the Group’s properties will be at fair value as determined by the Valuer on the basis of market value in accordance with the internationally accepted RICS Appraisal and Valuation Standards.

The first full valuation after Admission will be conducted as at 31 March 2018.

Details of each six monthly valuation, and of any suspension in the making of such valuations, will be announced by the Company through a Regulatory Information Service as soon as practicable after the end of the relevant period.

## **14 NAV**

The NAV (and NAV per Ordinary Share) will be calculated on a six monthly basis. Details of each six monthly calculation, and of any suspension in the making of such calculations, will be announced by the Company through a Regulatory Information Service as soon as practicable following the relevant calculation. The calculations of the NAV (and NAV per Ordinary Share) will be made on the basis of the relevant six monthly valuation of the Group’s properties.

The calculation of the NAV will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a Regulatory Information Service as soon as practicable after any such suspension occurs.

## **15 Meetings, reports and accounts**

The audited financial statements of the Company will be prepared in Sterling under IFRS. The Company’s annual report and accounts will be prepared up to 31 March each year, with the first accounting period of the Company ending on 31 March 2018. The Company will also publish an unaudited half-yearly report covering the six months to 30 September each year. The first financial statements that the Company will publish will be the report and accounts for the period from 1 August 2017 to 31 March 2018, although the Company will not commence operations until Admission.

The Company intends to hold its first AGM on or before 30 September 2018 and will hold an AGM each year thereafter.

## 16 Discount Management

The Board has the discretion to seek to manage, on an ongoing basis, the premium or discount at which the Ordinary Shares may trade to their NAV through further issues and buy-backs as appropriate.

### 16.1 *Share buy-backs*

The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests as a whole and as a means of correcting any imbalance between supply of and demand for the Ordinary Shares.

A special resolution has been passed granting the Directors authority to repurchase up to 10 per cent. of the Company's issued share capital during the period immediately following Admission and expiring on the earlier of the conclusion of the Company's first AGM and 17 November 2018. Renewal of this buy back authority will be sought at each AGM of the Company.

The Directors will have regard to the Company's REIT status when making any repurchase and will only make such repurchases through the market at prices (after allowing for costs) below the relevant prevailing NAV per Ordinary Share and otherwise in accordance with guidelines established from time to time by the Board. Purchases of Ordinary Shares may only be made in accordance with the Act, the Disclosure Guidance and Transparency Rules and the AIM Rules. The maximum price that may be paid by the Company on the repurchase of any Ordinary Shares pursuant to a general authority is 105 per cent. of the average of the middle market quotations on AIM for the Ordinary Shares for the five Business Days immediately preceding the date of purchase. The minimum price will not be below the nominal value of £0.01 in respect of the Ordinary Shares.

Shareholders should note that the purchase of Ordinary Shares by the Company is at the absolute discretion of the Directors and is subject to the working capital requirements of the Company and the amount of cash available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

### 16.2 *Dividend re-investment plan*

At the time of declaring a dividend the Directors may operate a dividend re-investment plan whereby eligible Shareholders will be entitled to apply their cash dividend to acquire Ordinary Shares which shall be purchased on the Shareholders' behalf in the market using such Shareholders cash dividend entitlement.

If such a plan is introduced, the administrator of the dividend re-investment plan will write to all Shareholders with details of the terms and conditions of the dividend re-investment plan and how to elect to join the dividend re-investment plan.

## 17 REIT status and taxation

Information regarding taxation in relation to the Issue and Admission is set out in Part IX: "*The UK REIT Regime*" and Part X: "*United Kingdom Taxation of Shareholders after entry into the REIT Regime*" of this Prospectus and your attention is drawn to these sections. **Persons who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their independent financial adviser immediately.**

## 18 Further information

Your attention is drawn to the section of this Prospectus entitled "*Risk Factors*" which contain certain risk factors relating to any investment in Ordinary Shares and to Part XI: "*Additional Information*" of this Prospectus.

## PART II

### THE WAREHOUSE RENTAL MARKET

#### 1 Introduction and definition of warehouse

The Company defines warehouses as buildings which have a steel or concrete portal frame with a minimum eaves height of five metres, covered in profiled metal cladding or similar proprietary material. The simple construction of warehouses provides such buildings with a high degree of flexibility which is generally enhanced by the existence of outdoor servicing and yard space. The site coverage by buildings will not normally exceed 40 per cent. and is frequently closer to 30-35 per cent. of the total site area.

The Company will be seeking to invest in warehouses in the UK with a floor area likely to be no more than 150,000 square feet but anticipates that the majority of buildings to be purchased will be less than 100,000 square feet. The majority of the Company's more typical assets will have individual units ranging in size from 5,000 square feet to 25,000 square feet.

#### 2 Market backdrop – size of investment market

Savills estimate that the UK warehouse market comprises approximately three billion square feet. As such, TPL believe that the sector has scale which will facilitate the Company's ambition to grow. In 2016, approximately £8 billion of warehouse investment stock changed hands. TPL believe that the warehouse market is therefore sufficiently liquid to enable the Company to utilise the net proceeds from the Issue to acquire additional warehouse assets that comply with its investment objectives.

#### 3 Internet revolution

The UK market place is witnessing a retail revolution brought about by the internet. Approximately 82 per cent. of all adults in the UK currently use the internet on a daily basis and the figure is forecasted to rise to 92 per cent. by 2021. It is reported in the Retail Economics report for 2016 that, in 2016, adults spent on average four hours a day on the internet. In 2016, John Lewis, a leading UK retailer, sold 41 per cent. of all its goods online and it estimates that this will grow to 50 per cent. by 2019. In 2016, the UK consumer continued to become more internet focused with 81 per cent. of all product searches starting online. The Retail Economics report also states that online sales accounted for 14 per cent. of the UK market in 2016 and forecasts the online market share to grow to 26 per cent. by 2021, almost doubling the current figure within the next four years. Acknowledging that every online order is processed by at least one warehouse, whether it is involved in the storage and/or distribution process (if not up to two or three warehouses depending upon the supply chain logistic), an increased market share of 26 per cent. will likely require an increase in demand for urban warehouses, not only for businesses that operate in the last mile economy but also for a diverse range of other tenants.

The existing market fundamentals together with the growth of the e-commerce sector as described above together create a strong dynamic for investing in the warehouse sector and have already had a positive impact on the demand for space across the Tilstone Property Portfolio.

The logistics delivery chain can be divided into three distinct levels. Understanding the differences between these levels and how they fit together in providing the logistics delivery chain across the UK helps to explain the rising demand for urban warehouses.

##### *Level 1 – National “Big Box” warehouses*

The first level is characterised by large warehouse buildings over approximately 200,000 square feet (“Big Box”). These Big Box warehouses operate on a national scale and are often serviced by containers arriving from large ports such as Felixstowe. The buildings are usually located on motorways and have been expanded to maximise the cubic storage capacity with some buildings as much as 1 million square feet. A number of these warehouses are located around the M1 motorway in Northamptonshire.

### *Level 2 – Regional Distribution Centres (“RDCs”)*

The second level facilitates the distribution of goods from Big Box warehouses throughout the country by providing smaller hubs from which goods are ultimately delivered to their final destination. These interim warehouses are typically 100,000 square feet to 200,000 square feet and located close to major conurbations and motorways. Before the advent of online shopping these level two facilities were the final warehouse before delivery to the end retailer. Each retailer or third party logistics provider typically has up to 12 RDCs servicing the country.

### *Level 3 – Urban warehouses*

The third and most recent level of the supply chain, the depot or urban warehouse, has arisen to service the demand generated by the last mile economy. As more trade moves to the internet, regardless of whether it is retailer or manufacturer to consumer or business to business, the demand for shorter delivery times has required the creation of a sophisticated delivery infrastructure handled by smaller warehouses (circa 20,000 to 50,000 square feet) closer to the customer. Operating small local hubs is the most efficient way to serve the increasing customer desire for not only next day but increasingly same day delivery.

## **4 Demand dynamics**

Occupier take-up of warehouses over the last five years has averaged at around 80,000,000 square feet. Demand is currently spread throughout the regions with the Midlands, the North West and Yorkshire all ranking similarly in demand to London. These regions represent the locations where a number of the Tilstone Property Portfolio assets are located.

Demand for and take-up of vacant warehouse space has come from an increasingly diversified occupier base. In 2007, demand for warehouse accommodation from online retailers accounted for just one per cent. of the UK take-up but this figure grew to 29 per cent. by 2016. The change in the market dynamic is clear, with online sales projected to grow to nearly double by 2021, TPL believe that the change will continue apace with continued demand for urban warehouse space.

## **5 Supply Dynamics**

In contrast to the strong occupier demand, the level of available warehouse stock is significantly lower. Vacancy rates have been falling over the last five years from double digits to just four per cent. The low availability of rental stock together with increased demand will give rise to the potential for rental growth. The real availability of warehouse space is likely to be further decreased taking into account vacant stock that is under-managed and the continued loss of supply to other higher value uses such as residential use.

## **6 Barriers to entry**

The figures in paragraphs 4 and 5 above show the strong demand and low levels of availability of warehouse space. It would be reasonable to expect a development boom as developers build speculative stock in anticipation of the strong occupier demand. However, it does not appear that this is happening. The cost of construction of a multi-let industrial estate is higher than prevailing investment values (this is evidenced by the Building Reinstatement Value of the Tilstone Property Portfolio being higher than the Market Value). It would take approximately a 40 per cent. increase in passing rents before development becomes viable. This characteristic is unique to the industrial sector and effectively creates an ‘economic moat’ constraining any further supply. If and when rents do rise and yields fall to an extent sufficient for development to become viable, the UK planning system will delay the development of larger scale warehouse sites by anything up to 24 months.

There is one exception; it appears that Big Boxes have benefitted from significant construction economies of scale which have resulted in build costs falling and coupled with (often pre-let) long-dated leases, yields have compressed to circa 4 to 5 per cent. which has driven investment values up and created significant positive land values and healthy return for developers.

## **7 Rental Growth**

With the imbalance between supply and demand, it is not surprising that the industrial sector has seen the strongest rental growth figures for 15 years. IPD (the Investment Property Databank) are forecasting further rental growth for the next five years averaging over 2 per cent. per annum. Realfor forecast the industrial sector will experience more than three per cent. rental growth for the next five years. Both Savills Research and Lambert Smith Hampton have noted that the acute shortages in vacant stock is in the small to medium size warehouse units, being those that characterise the majority of holdings in the Tilstone Property Portfolio. The secondary market has therefore seen stronger rental growth than the prime market and TPL believe that this trend will continue given the economic restrictions constraining supply in this size range.

If the take-up from occupiers seeking space to service the last mile deliveries to satisfy the growth in online sales from 14 per cent. to 26 per cent. of market share is to be realised coupled with consumer pressure for same and next day delivery, TPL believes there is a significant likelihood that the upward pressure on rents will continue.

## **8 Change of warehouse use**

Well-located warehouse buildings with the appropriate specification have a number of different uses. Traditionally the preserve of manufacturing and storage businesses, warehouses saw competition from retailers as the first wave of out of town retail warehouse conversions (led by bulky goods retailers) arrived in the 1980s and, more recently, the trade counter evolution. Recognising the low costs of occupation, a range of different business uses utilise very similar buildings. TPL has recognised that there is a strong correlation between the rental value of a warehouse and the permitted use under the Town and Country Planning (Use Classes) Order 1987. In certain circumstances, it may be possible to alter the permitted use of a warehouse to enable a different occupier to trade paying a higher level of rent.

Specialist Big Box warehouses have become popular, particularly with national retailers over the last ten years, but the scale and eaves height have, by necessity, given rise to specialist buildings that might yet be proven to only have one use. TPL recognises the potential risk associated with this specialism.

## PART III

### BOARD, INVESTMENT MANAGER AND ADMINISTRATION

#### 1 Directors of the Company

The Directors are responsible for the determination of the Company's investment policy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the Company's service providers. All of the Directors are non executive whilst the majority are independent of TPL. Brief biographical details of the Directors are as follows:

#### **Neil Kirton – Non-Executive Chairman**

Neil has over 25 years of experience working in the securities and investment banking industries in the City of London and is presently a Managing Director at Kroll Associates UK in their Investigations and Disputes Practice and Head of the London office.

He is a Non-Executive director at Ingenta plc. Neil was formerly Global Head of Equity Distribution at ABN AMRO Bank NV and a member of ABN AMRO's Global Equity Directorate. He was Head of UK Equity Sales and Deputy Chief Executive at Hoare Govett. He was Head of Equities at Bridgewell Securities, Head of Corporate Finance and CEO at Arbuthnot Securities and sat as an Executive director on the board of Arbuthnot Banking Group plc.

#### **Stephen Barrow – Non-Executive Director (non-independent)**

Stephen is an experienced Global Equity investor. Formerly Chief Investment Officer at IronBridge International and Head of Global Equities at Deutsche Asset Management, Stephen managed over £5 billion of assets for a wide variety of clients including many large global institutions.

Stephen is presently a non-employee Partner of Absolute Return Partners in Richmond and manages his own portfolio. Stephen and his wife are both Tilstone Investors.

#### **Simon Hope – Non-Executive Director (non-independent)**

Simon Hope leads the Real Estate investment teams at Savills. He was on the Plc board from 1999 – 2010, and has sat on the Group Executive Board since 2008. Customers have included Lloyds Bank plc, London Metric Property plc, EPF, Barlow's, State of Michigan Pension Fund and Hansteen Holdings plc. He helped establish the Charities Fund Property Board in 2001 which has a current fund value of approximately £1.16 billion and is the first Common Investment Fund available to all charities in England and Wales that directly invests in UK commercial property.

As part of Savills Investment Management, Simon was chair of Savills UK Limited's proprietary trading arm, Grosvenor Hill Ventures Limited, during a five-year period up to 2006 when this fund delivered an IRR in excess of 35 per cent. Simon is the non-executive chairman of TPL and represents TPL on the Board. Simon and his wife are both Tilstone Investors.

#### **Martin Meech – Non-Executive Director**

Martin Meech is the Group Property Director of Travis Perkins Plc and Chief Executive Officer at Travis Perkins (Properties) Ltd, the largest supplier of building materials in the UK. In this role, Martin oversees the Group freehold portfolio with a market value in excess of £500 million and is also responsible for Group Environment.

Previously, Martin has been a Non-Executive Director of Quintain Plc. Martin also has operational experience at Dixons Retail and Halfords Group Plc. Martin was formerly Chairman of the BRC Property Advisory Group and a member of the Bank of England Property Forum. Martin is also a Chartered Surveyor and a Fellow of the Royal Institution of Chartered Surveyors.

### **Aimee Pitman – Non-Executive Director**

Aimee runs her own Strategy Consulting business, Pitman & Co. Consulting. As an independent consultant she works alongside the partners of Eden McCallam LLP, a London based consultancy firm, as a Client Director where she co-leads their Travel & Leisure and Property practices. Aimee has over 25 years' experience in strategy development across sectors, most notably real estate, travel and leisure and financial services.

Formerly a Vice President within MAC Group/Gemini Consulting's strategy practice, Aimee went on to work over a number of years with European travel group, TUI, supporting them on strategy, distribution, and operational excellence. She currently serves as a non-Executive adviser of McArthur Glen and as an adviser to Go Native Serviced Apartments.

## **2 Corporate Governance**

### ***General***

The Board seeks to follow best practice in corporate governance to the extent appropriate to the Company's size, nature and stage of development and in accordance with the regulatory framework that applies to AIM companies. The Board intends to review and apply the principles and provisions of the QCA corporate governance code for small and mid-sized companies and the AIC Code where it is appropriate to do so to support the governance framework.

### ***Board***

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. Following Admission, the Company intends to hold Board meetings at least four times each financial year and at other times as and when required.

### ***Committees***

The Company will establish with effect from Admission properly constituted audit, nomination and management engagement committees of the Board with formally delegated duties and responsibilities.

The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to internal and external audits and controls, including reviewing the Group's annual financial statements, considering the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal control systems in place within the Group. The Audit Committee will normally meet not less than two times in each financial year and will have unrestricted access to the Company's auditors. The members of the Audit Committee consider that they collectively have the requisite skills and experience, in conjunction with the Company's auditors, to fulfil the responsibilities of the Audit Committee. The members of the Audit Committee will be Stephen Barrow, Martin Meech and Aimee Pitman and will be chaired by Martin Meech.

The Company's Nomination Committee will be chaired by Neil Kirton and the other members will comprise Simon Hope and Martin Meech. The Nomination Committee will meet not less than once a year and otherwise when summoned by the secretary of the Nomination Committee, at the request of any of its members. The Board considers that the members of the Nomination Committee have the requisite skills and experience to fulfil the responsibilities of the Nomination Committee. The Nomination Committee examines the effectiveness of the Board's nomination procedures and reviews the structure, size and composition of the Board. The Nomination Committee's other principal duties will be to make recommendations, in consultation with the chairman of the Audit Committee and Management Engagement Committee, to the Board in respect of the membership of the Audit Committee and Management Engagement Committee, and to make recommendations to the Board concerning the re-appointment of any non-executive Director at the conclusion of any specified terms of office.

The Management Engagement Committee will be comprised of the independent Directors and be chaired by Aimee Pitman. On a regular basis, it will review the appropriateness of the Investment Manager's continuing appointment together with the terms and conditions thereof and make recommendations on any proposed

amendment to the Investment Management Agreement or any other agreement entered into with the Investment Manager. The Management Engagement Committee will also perform a review of the performance of other key service providers to the Company, including G10.

### ***Directors' share dealings***

The Company will adopt a share dealing code for the Directors and applicable employees of TPL for the purpose of ensuring compliance by such persons with the provisions of the AIM Rules and the Market Abuse Regulation relating to dealing in the Company's securities (including, in particular, dealing during close periods in accordance with Rule 21 of the AIM Rules and the Market Abuse Regulation). The Directors consider that this share dealing code is appropriate for a Company whose shares are admitted to trading on AIM and the Company will take all reasonable steps to ensure compliance by the Directors and any applicable employees of TPL.

## **3 Management of the Company**

### **3.1 *The Investment Manager***

The Company is an AIF for the purposes of the AIFM Directive and as such is required to have an investment manager who is duly authorised to undertake that role. It is intended that, subject to obtaining the necessary regulatory approvals, TPL will act as the Investment Manager. TPL intends to apply to the FCA for approval as an alternative investment fund manager and expects to obtain such approval within six months of Admission.

In the meantime, G10, which is authorised by the FCA to act as an alternative investment fund manager, has been appointed as the Investment Manager until such time as TPL receives approval from the FCA to act as an alternative investment fund manager, at which time TPL will become the Investment Manager. G10 will be responsible for overall portfolio management, risk management and compliance with the Company's investment policy and the requirements of the AIFMD that apply to the Company, and undertaking all risk management.

G10 is a leading UK based investment manager platform which is appointed to manage more than £1 billion in assets across different assets classes, including real estate, on an unleveraged basis. As at 22 August 2017 (being the last practicable date before the date of this Prospectus) G10 Capital acts as AIFM and investment manager to seven funds, six collective undertakings and is appointed as AIFM to three publicly listed entities. It has experience with managing real estate funds and has been mandated for the provision of portfolio management and risk services for another REIT with a market capitalisation of more than £300 million. G10 maintains a comprehensive investment manager platform with an experienced team of investment professionals.

Two of G10's key executives, Gerhard Grueter and Jurgen Gebhard, were co-founders of both G10 Capital Limited and Lawson Conner Services Limited, one of the leading compliance and regulatory consultancy firms in the UK, and have significant experience in financial services and investment management.

G10 has appointed TPL pursuant to the Appointed Representative Letter to act as its appointed representative in respect of the Company. As the appointed representative TPL will be responsible for working with and advising the Company and G10 in respect of sourcing investment opportunities which meet the Company's investment policy. As G10's appointed representative, TPL will be exempt under section 39 of FSMA from the requirement to be authorised by the FCA as a pre-requisite to giving investment advice and arranging deals in investments. TPL will also be responsible for managing the underlying real estate assets within the Company's investment portfolio, which activity will not constitute a regulated activity under FSMA. G10 has, and shall maintain, the necessary expertise and resource to supervise the delegated tasks effectively. Upon receiving regulatory approval as an alternative investment fund manager, TPL will become the Investment Manager and the relationship with G10 will cease.

The services of G10, its associates and its and their respective officers and employees, are not exclusive to the Company. Although G10 has given certain undertakings to the Company regarding other mandates, and has in place a conflicts of interest policy, in fulfilling its responsibilities to the Company, it may be subject to certain conflicts of interest arising from its relations with third parties to whom it also owes duties or in whom it has an interest. The services of TPL as the Investment Manager, once it has received FCA approval as an AIFM, will be exclusive to the Company.

### 3.2 **Key Personnel of TPL**

#### **Simon Hope – Non-Executive Chairman**

Simon has been Chairman of Tilstone since its formation in 2010 and was a founding investor. Prior to that he worked with Andrew Bird, whilst he was property director at Barlow's Plc, trading a number of portfolios including a sale to Westbury Fund Management.

Please refer to paragraph 1 above for the full biographical details of Simon Hope.

#### **Andrew Bird – Managing Director**

Andrew founded the Tilstone brand in 2010 originally with the goal to focus on commercial property investment and development. After identifying opportunities within the warehouse sector, the focus moved in August 2013 to creating the Tilstone Property Portfolio. As Managing Director of TPL, he takes overall responsibility for strategy, direction and business performance.

Prior to TPL, Andrew joined the Board of Barlows plc in 1994, a north-west focussed commercial property company with a listing on the Main Market of London Stock Exchange. He was subsequently part of a consortium that took the company private in 2001. The business created a separate asset management company through which Andrew served on the Investment Committee of Westbury Plc, a quoted property fund (2002-2007). Andrew has also served as a Non-Executive Director of Dee Valley Group plc, a London Stock Exchange quoted water utility company.

#### **Paul Makin – Investment Director**

Paul Makin is the Investment Director of TPL and steers the sourcing of investment opportunities, asset management and focuses on creating positive occupier relationships.

He has extensive investment consultancy experience through his work at CBRE Limited and subsequently at Mapeley Estates Limited (a previously quoted property company), where he was Head of Investment and Investment Asset Management, tasked with extracting value from outsourcing contracts and new acquisitions. He expanded his horizons with a senior investment asset management role at real estate private equity company, Moorfield Group Limited, taking a key role in the purchase and asset management of projects such as the UK Logistics Fund in a joint venture with Segro plc.

#### **Peter Greenslade – Finance Director**

Peter qualified as a Chartered Accountant with Binder Hamlyn before working for a number of blue chip companies in a variety of finance roles including Grand Metropolitan (Diageo plc), De La Rue plc and ICL plc. During his time as Finance Director of Robert Walters plc the company successfully floated on the Main Market of London Stock Exchange and whilst at Spectron Group Limited the company was restructured and eventually sold to a trade buyer.

He has significant experience in company management, control, reporting and corporate activity, especially in the private equity arena. As part of the management team of Axiom Consulting Limited he was involved in a management buyout from Aon Limited funded by private equity and later its trade sale to Charles Taylor plc. He was also part of the team at Kane Group Limited who undertook the private equity backed acquisition of HSBC Insurance Services Limited. He is also a founder of RPL Investments limited, a company which specialises in assisting with raising funds for small businesses as well as advising on corporate strategy.

### 3.3 *Other Service Providers*

#### *Property manager*

The Tilstone Subsidiaries have appointed Savills to act as Property Manager for their respective properties pursuant to the terms of a series of property management agreements. The Property Manager provides a wide range of services including: ensuring compliance with all current property regulations (including relevant health and safety requirements); collection of rent; administration of service charges; and accounting for VAT. Under separate specific appointments, the Tilstone Subsidiaries also engage the service of Savills as and when necessary to procure the service of building surveying and project management, leasing of vacant space, landlord and tenant services for rent reviews and lease renewals, planning advice regarding the preparation and submission of planning applications and capital markets advice for the acquisition of investment properties. Whilst Savills are the service provider of choice, the Tilstone Subsidiaries are at liberty to engage the services of whichever consultant it considers to be appropriate.

Under the terms of the Property Manager's Agreements, the Property Manager is entitled to a fee of £750 per tenant per annum. The Property Manager's Agreements are terminable upon three months' written notice.

#### *Administrator*

Capita Sinclair Henderson Limited has been appointed as the administrator to the Company. It provides the day-to-day administration of the Company. It is also responsible for the Company's general administrative functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records. Under the terms of its administration agreement, Capita Sinclair Henderson Limited is entitled to a one off set-up fee of £6,500 and a fixed administration fee of £78,000 per annum (exclusive of VAT) subject to an annual RPI increase. The administration agreement is terminable upon six months' written notice.

#### *Registrars*

The Company utilises the services of Capita Registrars Limited (trading as Capita Asset Services) as registrar in relation to the transfer and settlement of Ordinary Shares held in uncertificated form. Under the terms of the registrar agreement, the Registrar is entitled to an annual maintenance fee of £1.50 per Shareholder account per annum, subject to a minimum fee of £7,000 per annum (exclusive of VAT). The fee is subject to increase in line with RPI. The Registrar is also entitled to activity fees under the registrar agreement. The registrar agreement may be terminated on three months' notice.

#### *Company Secretary*

Capita Company Secretarial Services Limited has been appointed by the Company to provide company secretarial functions required by the Act. The secretary is entitled to a one off fee in relation to Admission of £20,000 and a company secretarial fee of £55,000 per annum (exclusive of VAT) in respect of the Company, subject to an annual RPI increase. The secretarial agreement is subject to an initial term of 12 months and automatically renews for successive periods of 12 months, unless written notice is given by either party at least three months' prior to the end of the then current fixed 12 month period.

#### *Depositary*

Kingfisher Property Partnerships Limited has been appointed as Depositary to provide cash monitoring, safekeeping and asset verification and oversight functions as prescribed in the AIFM Directive. Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of £20,000 per annum, subject to an annual review on the basis of 0.015 per cent. of the most recent valuation of the Company's assets subject to a minimum annual fee of £20,000 and a maximum annual fee of £35,000. The Depositary Agreement is terminable by the Company on one month's written notice served on the Depositary and by the Depositary on not less than three months' written notice served on the Company.

## PART IV

### THE TILSTONE PROPERTY PORTFOLIO

#### 1 Background

In 2013, the Tilstone Holdings Investors acquired their first industrial warehouse property located in Warrington. This property demonstrates many of the characteristics which are prevalent throughout the properties comprised within the Tilstone Property Portfolio: (i) it has great motorway links (it is located close to the M62 motorway and the junction connecting the M62 with the M6); (ii) its location benefits from strong regional infrastructure; (iii) the property has modern, purpose built portal frame buildings with large secure yards which provide flexible space suitable for a variety of different businesses; and (iv) at the time of purchase, the property was receiving short dated income which provided management with an opportunity to improve both the term and quantity of the income.

A number of the properties comprising the Tilstone Property Portfolio were originally acquired by the Tilstone Holdings Investors through a series of limited liability partnerships. In 2016, the Tilstone Investors carried out a reorganisation in preparation for Admission with the result that the properties within the Tilstone Property Portfolio are now held by the Tilstone Subsidiaries, a group of subsidiary Special Purpose Vehicles (SPVs). The Tilstone Holdings Subsidiaries are wholly owned by Tilstone Holdings and the Tilstone Warehouse Subsidiaries are wholly owned by Tilstone Warehouse. On Admission, the Company will acquire Tilstone Holdings and Tilstone Warehouse pursuant to the terms of the Acquisition Agreements. Further details about the structure of the Group and the Acquisition Agreements are contained in paragraphs 3 and 13.4 respectively of Part XI: “*Additional Information*” and further details of the Acquisition are contained in paragraph 6 of Part I: “*Information on the Group*” of this Prospectus.

#### 2 Assembly of the Tilstone Property Portfolio

The Tilstone Property Portfolio has been assembled on a targeted basis allowing the management of TPL to cherry pick only those assets which are deemed to offer the potential to create short, medium and longer term performance.

The assembly of the Tilstone Property Portfolio has been both opportunistic and, where possible, strategic. The properties acquired are located throughout the UK to ensure risk diversification.

#### 3 Summary of the Portfolio

The Tilstone Property Portfolio comprises 27 freehold and long leasehold properties, located throughout the UK.

The portfolio was valued at £108.85 million as at 31 March 2017 as set out in the valuation report contained in Part V: “*Valuation Report*” of this Prospectus. Table 1 below sets out details of the key metrics that apply to the portfolio as at 31 March 2017. Since the Valuation Date, TPL has concluded four lettings and four lease renewals marginally increasing the contracted income and maintained the occupancy at 92 per cent. and the WAULT ahead of natural time diminution.

	<i>As at</i> <i>31 March 2017</i>		<i>As at</i> <i>31 March 2017</i>
Gross Contracted Rent	£8,300,000	Gross Initial Yield	7.1%
Contracted Rent	£8,100,000	Net Initial Yield	7.0%
Triple Net Rent	£7,700,000	Triple Net Yield	6.6%
ERV	£9,400,000	Reversionary Yield	8.1%
Floor Area (sq ft)	1,700,000	Average Rent (per sq ft)	£4.72
WAULT to first break	4.0	WAULT to expiry	5.4
Occupancy	92%	Capital Value (£/sq ft)	£63.0

**Table 1 – Portfolio Summary**

The average value of the 27 assets is c£4,000,000 and Table 2 below sets out the summary details of the top five assets, which account for over 40 per cent. of the portfolio value.

	<i>Sq ft</i>	<i>Rent pa (£)</i>	<i>ERV pa (£)</i>	<i>WAULT</i> –	<i>Value</i>	<i>% of Total</i>	<i>Rent psf</i>	<i>Cap Val</i>
Tramway Industrial Estate, Banbury	148,814	722,895	803,100	4.04	10,500,000	9.6%	4.86	70.56
Boots, Basingstoke	114,399	559,000	559,000	1.25	8,200,000	7.5%	4.89	71.68
Queenslie Industrial Estate, Glasgow	348,361	1,312,272	1,525,463	2.85	13,800,000	12.7%	3.77	39.61
Gawsworth Court, Warrington	94,744	444,418	460,500	4.79	6,000,000	5.5%	4.69	63.33
Witan Park, Witney, Oxfordshire	114,775	596,921	664,581	7.95	8,550,000	7.9%	5.20	74.49
Total/average	821,093	3,635,506	4,012,644	3.85	47,050,000	43.2%	4.43	57.30

**Table 2 – Summary of Key Assets**

Typically, the assets of the Tilstone Property Portfolio are located close to conurbations, labour resources and infrastructure ensuring that buildings are well placed to benefit from opportunities arising as a result of the rise in internet shopping and to enable occupiers to serve the growing demand from customers which is emerging from the “last mile” economy. The split by geographic region is shown in Tables 3 and 4 below. The location of many assets shows a correlation to those locations that have seen strong occupier take-up of vacant space. In TPL’s experience, strong occupier demand is more likely to lead to stronger rental growth.

<i>Warehouse location</i>	<i>Units</i>	<i>Occupancy</i>	<i>Value</i>	<i>Sq ft</i>	<i>%</i>	<i>WAULT (first break) years</i>	<i>WAULT (expiry) years</i>	<i>Capital value (£/Sq ft)</i>
Scotland	79	94%	28,300,000	574,535	33%	4.44	5.19	49.26
Midlands	46	76%	23,200,000	370,974	22%	6.08	6.84	62.54
Northern England	29	94%	15,225,000	223,112	13%	2.37	3.88	68.24
Southern England	19	100%	35,450,000	471,834	27%	2.95	4.95	75.13
Northern Ireland	5	87%	2,215,000	18,215	1%	1.89	2.76	116.66
Wales	2	100%	4,550,000	58,489	3%	6.55	10.63	77.79
Total/average	180	92%	108,850,000	1,717,159				

**Table 3 – Property details by location**

<i>Warehouse location</i>	<i>Net contract rent</i>	<i>Net initial yield</i>	<i>Triple net rent</i>	<i>Triple net yield</i>	<i>Net market rent</i>	<i>Net reversionary yield</i>	<i>Average rent (£/sq ft)</i>
Scotland	2,495,394	8.3%	2,355,702	7.8%	2,849,977	9.4%	4.34
Midlands	1,392,464	5.6%	1,188,102	4.8%	1,998,900	8.1%	3.75
Northern England	1,164,592	7.2%	1,118,810	6.9%	1,346,500	8.3%	5.22
Southern England	2,532,724	6.7%	2,532,724	6.7%	2,650,781	7.0%	5.37
Northern Ireland	200,950	8.9%	197,295	8.7%	234,450	10.3%	11.03
Wales	324,864	6.7%	324,864	6.7%	347,564	7.2%	5.55
Total/average	8,110,988	7.0%	7,717,497	6.6%	9,428,172	8.1%	4.72

**Table 4 – Rent details by location**

The entire Tilstone Property Portfolio comprises warehouse assets with the largest proportion being industrial warehouses as can be seen in Tables 5 and 6 below. The term industrial warehouse can be further sub-divided as between manufacturing, storage and/or distribution and the service industry. TPL purposefully searches out opportunities where rental values can be increased through change of use, with trade and retail uses commanding higher rents, thereby increasing value.

<i>Warehouse Use</i>	<i>Units</i>	<i>Occupancy</i>	<i>Value</i>	<i>Sq ft</i>	<i>%</i>	<i>WAULT (first break) years</i>	<i>WAULT (expiry) years</i>	<i>Capital value (£/Sq ft)</i>
Warehouse Storage & Distribution	108	88%	55,494,410	960,802	56%	3.61	4.96	57.76
Light Manufacture & Assembly	39	96%	25,088,370	520,448	30%	2.07	4.54	48.21
Retail	20	95%	18,472,610	122,149	7%	6.25	6.37	151.23
Trade	11	100%	9,412,843	100,434	6%	7.58	8.38	93.72
Leisure	2	100%	381,676	13,326	1%	1.49	5.11	28.65
Total/average	180	92%	108,850,000	1,717,159				

**Table 5 – Property details by use**

	<i>Net contract rent</i>	<i>Net initial yield</i>	<i>Triple net rent</i>	<i>Triple net yield</i>	<i>Net market rent</i>	<i>Net reversionary yield</i>	<i>Average rent (£/sq ft)</i>
<i>Warehouse Use</i>							
Warehouse Storage & Distribution	3,892,545	6.7%	3,668,693	6.2%	4,799,753	8.1%	4.15
Light Manufacture & Assembly	2,062,263	7.7%	1,999,529	7.5%	2,264,431	8.5%	3.96
Retail	1,408,105	7.1%	1,391,200	7.1%	1,578,150	8.0%	11.53
Trade	621,125	6.2%	621,125	6.2%	736,638	7.3%	6.18
Leisure	36,950	9.1%	36,950	9.1%	49,200	12.1%	2.77
Total/average	8,110,988	7.0%	7,717,497	6.6%	9,428,172	8.1%	4.72

**Table 6 – Rent details by use**

The Tilstone Property Portfolio has 129 Tenants, the top 10 of which account for approximately 33 per cent. of the total as can be seen in Table 7 below. There is a diverse range of occupier types which in the first instance provides a defensive character to the rental income but it also demonstrates how many of the warehouses can be used for a whole range of uses. Whilst the e-commerce market is the strongest component to occupier demand, it illustrates how a diverse range of occupiers will be competing for the very same urban warehouse space. If occupier demand outstrips supply, rents will grow ahead of the IPD forecast across the whole sector.

<i>Tenant</i>	<i>Town of the Asset</i>	<i>Rent (£ p.a.)</i>	<i>% of Rent</i>
Boots	Basingstoke	650,000	7.8%
The Fabulous Bakin’ Boys Ltd	Witney	380,000	4.6%
Amazon	Newport, South Wales	264,864	3.2%
Magna Exteriors	Banbury	231,720	2.8%
Selco Trade Centres Ltd	Coventry	221,977	2.7%
Tristel Plc	Newmarket	216,628	2.6%
Asda Stores	Leeds	209,000	2.5%
Soapworks Ltd	Glasgow	192,200	2.3%
Cleenol Group Ltd	Banbury	186,930	2.3%
Kent Frozen Foods	Witney	167,328	2.0%
Total		2,720,647	32.8%

**Table 7 – Summary of Key Tenants**

Table 8 below shows that the WAULT of the Tilstone Property Portfolio to lease expiry is 5.4 years. TPL have deliberately acquired multi-let estates with a short WAULT in the belief of being able to improve the income security. It has the confidence to follow this strategy having endeavoured to speak to every occupier before committing to a purchase contract. These dialogues are imperative and are referred to by TPL as “space intelligence”. It provides an insight into which businesses occupying an estate wish to stay long term, those looking for more space or, just as importantly, if the tenant will vacate upon lease expiry or earlier. This space intelligence has been a key driver in enabling TPL to work with tenants to retain their occupancy through breaks and lease expirations in 70 per cent. of those cases arising on the properties that have been managed for over two years.

<i>WAULT to lease expiry</i>	<i>% of portfolio by income</i>	<i>Cumulative rent unexpired</i>
0 – 1 years	12.6%	12.6%
1 – 2 years	17.1%	29.7%
2 – 3 years	7.7%	37.4%
3 – 5 years	16.1%	53.3%
5 – 10 years	37.3%	90.8%
10 years +	9.2%	100%

**Table 8 – Summary of Key Tenants**

In respect of those assets within the portfolio where there was considered to be an opportunity for management to enhance the value through undertaking various initiatives, including capital expenditure on refurbishing vacant accommodation, this has been carried out enabling new lettings to be achieved at or

above the purchase ERV. In situations where the income has been of a short term nature, the property has, where possible, been re-let on a longer basis. As a result, for those assets that TPL have managed for longer than two years, the WAULT to first break or expiry has been maintained at c.5 years and the overall WAULT to lease expiry of the portfolio has been maintained at c.6 years as at 31st March 2017 (compared to 6.5 year to lease expiry at the point of purchase of those assets within the portfolio which the Tilstone Investors have owned for longer than two years). TPL believes that the Tilstone Property Portfolio still has significant potential for growth. The majority of assets within the Tilstone Property Portfolio are on multi-let estates avoiding over reliance on certain properties and tenants. The diversification of income has allowed management to avoid single let buildings which are let on longer term leases and instead focus on properties with shorter dated income, which has resulted in the creation of added value.

Rent on assets within the portfolio that have been owned by the Tilstone Investors for over two years has risen from £3.9 million in December 2014 to £5.1 million as at 31st March 2017, an increase of almost 30 per cent. over the relevant period. This reflects an increase of approximately 12 per cent. in rental income per annum.

The ERV on those assets has risen from £5 million in December 2014 to £5.7 million as at 31st March 2017, an ERV growth of 14 per cent. This reflects an increase of approximately 6 per cent. ERV per annum.

The current rent for those same assets is £5.1 million per annum versus an ERV of £5.7 million per annum. This shows an inherent and so far unrealised potential rental increase of 12 per cent. built into the Tilstone Property Portfolio. For the avoidance of doubt, this ignores any future rental growth. The income has grown as a result of active management which, in part, has focused on the refurbishment of void space to create lettings at new higher ERV levels. It is a strategy that the Company will continue to pursue and the more recent purchases continue to have similar opportunities.

#### **4 Opportunities within the Tilstone Property Portfolio and case studies**

There are a number of opportunities to grow the existing income within the Tilstone Property Portfolio. There is currently 140,000 square feet of existing vacant space which is available to be let. Once the vacant space has been let, the annual rental income is expected to increase by c.£800,000. TPL is currently marketing all vacant space and is in the process of refurbishing any accommodation to the extent required. The increased annual rental income is based on the space being let at the existing ERV (before any rental growth forecast).

TPL has pursued a policy of acquiring assets where there is an element of vacant space so that additional income can be generated by refurbishing the property and the subsequent reletting at enhanced values. By way of example, the Oldbury Point industrial estate in Oldbury (which was acquired in December 2016) provides 97,000 square feet arranged in 16 units with 67 per cent. of the space vacant following a departure of the previously dominant tenant. A refurbishment is underway and TPL has initiated a fresh marketing campaign resulting in interest from a number of potential occupiers in letting the space. Once all of the units at Oldbury Point have been re-let, it is anticipated that the estate will generate a running yield on current value of 9.4 per cent.

Tramway Industrial Estate, Banbury is another multi let estate comprising 150,000 square feet located immediately next to the Town Centre Railway Station yet close to the M40 motorway. At the date of acquisition (September 2014) five of the ten units were vacant. Following refurbishment, the estate is now fully let. The asset management objective is to grow the passing rents from £723,000 per annum to the ERV of £800,000 per annum. Contracts have also recently been exchanged to acquire the adjoining six acres providing short term open storage potential with medium/long term redevelopment options for the enlarged 13 acre strategic holding. Given the town centre location, the enlarged site is allocated for residential led mixed use redevelopment in the Banbury Local Plan.

Queenslie Industrial Estate, Glasgow provides another example of value enhancement. The estate extends to 55 acres with 350,000 square feet of warehouses. The estate was acquired with an 11 per cent. void and TPL has undertaken a rebranding exercise and initiated a fresh marketing campaign resulting in interest from potential occupiers. The estate also has 16 acres of land which are capable of development to potentially provide an additional 200,000 square feet of warehouse space, which, if developed, TPL estimates would generate additional income of £2.2 million per annum. It should be noted that there will be a capital cost

associated with constructing new buildings and any decisions to proceed with construction will be considered by the Board.

TPL aims to add value through obtaining planning permission enabling TPL to change the nature of properties. By way of example, Wharton Retail Park, Winsford was acquired with a restrictive non-food and bulky goods planning constraint. TPL successfully obtained planning permission for unrestricted retail permission (including the sale of food) together with a building extension. As a result, rental incomes have grown from £8.00 per square foot at purchase to £12.70 per square foot per annum. The Valuer calculated the ERV to be £15.00 per square foot which should represent a further 18 per cent. uplift of income in the future.

# PART V

## VALUATION REPORT

**Gerald Eve LLP**  
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23 August 2017

The Directors  
Warehouse REIT plc  
Gorse Stacks House  
Lower Ground Floor Office  
George Street  
Chester CH1 3EQ

and

Peel Hunt LLP (“Peel Hunt”)  
Moor House,  
120 London Wall  
London EC2Y 5ET

Dear Sirs

### **Instruction and Purpose of Valuation**

In accordance with instructions received from Tilstone Partners Ltd (“TPL”) confirmed in our letter dated 16 March 2017 we have assessed the Market Value of the interests to be acquired by Warehouse REIT plc (“the Company”) in the properties set out in the schedule attached to this report as at 31 March 2017 in connection with the Company’s proposed listing on AIM.

### **Status**

In preparing this report, we confirm that Gerald Eve LLP is acting as an External Valuer as defined in the Valuation Practice Statements and Practice Guidance contained in the Valuation – Professional Standards, incorporating the International Valuation Standards (“the Standards”) of the Royal Institution of Chartered Surveyors (RICS), January 2014. We can also confirm that we consider ourselves to be independent for the purposes of this instruction subject to any disclosures to you. We confirm that more than one valuer has contributed to the valuations and the requirements of PS 2 of the Standards have been satisfied. We confirm that David Law FRICS has overall responsibility for the valuation and that the individuals carrying out the valuations, all of whom are RICS Registered Valuers, have the appropriate knowledge, skills and experience to undertake them competently.

### **Disclosure**

The valuations are prepared for Regulated Purposes. We confirm that none of the properties have been acquired by the Company in the 12 months prior to the valuation date for which Gerald Eve LLP have received any remuneration. We have previously valued certain properties on behalf of Tilstone Holdings Limited (“THL”) in connection with their on-going loan arrangements in 2016. Our Glasgow office advised THL on the disposal of an asset in 2016 but apart from this involvement we are not aware of any conflict of interest in providing the advice you have requested.

Apart from the above, Gerald Eve LLP has had no previous fee earning relationship with the Company.

## **Valuation date**

The valuation date for the valuations reported herein is 31 March 2017 or the date of acquisition if later.

## **Bases of Valuation and Valuation Assumptions**

The Appendix to this report includes details of the properties and our valuations which have been carried out in accordance with the Standards on the basis of Market Value which is defined as follows:

*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 valuations are also compliant with Rule 5.6.5G of the Prospectus Rules published by the Financial Conduct Authority and paragraphs 128 to 130 of CESR's recommendations for the consistent implementation of Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive.

No allowances have been made for any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal deemed or otherwise and the properties have been considered free and clear of all mortgages or other charges which may be secured thereon.

Our opinions of value are based on an investment methodology and have primarily been derived using recent comparable market transactions on arm's length terms. We have valued the properties individually and no account has been taken of any discount or premium that may arise if all or part of the portfolio was marketed simultaneously either in lots or as a whole.

## **Sources of Information**

We have inspected the freehold/heritable and leasehold properties held as investments and carried out all the necessary enquiries with regard to rental value, rateable value, planning issues and appropriate investment considerations.

We have been provided with information and tenancy schedules by TPL or the Company and have assumed all lease details including rental income, lease expiries and break clause information has been verified by the Company's legal advisers, Shepherd and Wedderburn LLP in relation to the Scottish Properties and Temple Bright LLP in relation to the English Properties and Tughans LLP in relation to Northern Irish Properties.

## **Investigations**

Full inspections of the properties were undertaken between January 2016 and February 2017 with further external inspections of those undertaken in 2016 in January or February 2017. The full inspections were undertaken by RICS Registered Valuers qualified for the purposes of valuation and with the necessary experience in these types of properties in these locations. The valuations reported herein are subject to the assumption that no material changes to either the properties or their immediate locality have taken place between our latest inspection and the valuation date. We have carried out a measured survey of the properties in accordance with the Code of Measuring Practice (6th Edition) prepared by the Royal Institution of Chartered Surveyors. Where access was not available we have relied upon areas provided by TPL or the Company.

## **Assumptions**

Our valuations assume that there is a good and marketable title to the properties and that they are free of any onerous encumbrances, restrictions, charges or expenditure liabilities.

We have not read all documents of title or all leases and, for the purpose of our valuations, have relied upon details of tenure, tenancies and all other relevant information which TPL or the Company has supplied. All information supplied to us by TPL or the Company is assumed to be correct and complete. Unless advised to the contrary we have assumed that the tenants are financially in a position to meet their obligations and that there are no material arrears of rent or service charges, breaches of covenant, current or anticipated

tenant disputes. We have not undertaken credit enquiries on the financial status of the tenants. We have however reflected our general understanding of purchasers' likely perception of their covenant strength.

All the covenants in any Headleases have been complied with and there are no disputes with the Lessors or notices received from the Lessors or Lessees which would adversely affect the valuation.

We have not read planning consents and have assumed the buildings have been erected and are being occupied and used in accordance with all requisite consents and that there are no outstanding statutory notices. Unless our enquiries have indicated otherwise, it is assumed the properties use are duly authorised or established with the local planning authority and that no adverse planning conditions or restrictions apply. It should be noted that employees or Town Planning Departments now give information on the basis that it should not be relied upon and, therefore, we advise that formal searches are undertaken if greater certainty is required.

It is assumed that each property is not occupied and used for, nor that the premises have been, or are, being, put to any contaminative use. We have not made any investigations, in relation to the presence or potential presence of contamination in land or buildings, and have assumed that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out any investigation into past uses, either of the properties or any adjacent land, to establish whether there is any potential for contamination from such uses or sites, and have therefore assumed that none exists. In practice, purchasers in the property market do require knowledge about contamination. A prudent purchaser would be likely to require appropriate investigations to be made to assess any risk before completing a transaction. Should it be established that contamination does exist, this might reduce the values now reported.

We have not undertaken any site investigation, geological, mining or geophysical survey and therefore cannot clarify whether the ground has sufficient load-bearing strength to support any of the existing buildings or any other constructions that may be erected in the future. This report gives no warranties as to the condition of the structure, foundations, soil and services. Where our inspections and enquiries of the Environment Agency have provided no evidence that the properties are exposed to significant risk of flooding, unless instructed otherwise we have made the assumption that each property is located outside the extent of a high risk flood zone.

We have not undertaken a building survey, nor have we tested any services or inspected woodwork or other parts of the structure, which are covered, unexposed or inaccessible. Therefore these parts are assumed to be in good repair and condition and the services in full working order. Unless otherwise stated, it is assumed that the buildings have been constructed and are being occupied and used with all requisite consents and in compliance with valid Town Planning and Building Regulations approval and have the benefit of a current Fire Certificate and comply with all relevant statutory regulations.

In the absence of any information to the contrary, no allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972.

The Government requires an Energy Performance Certificate (EPC) to be produced for property transactions including the sale, rent or construction of both residential and non-residential dwellings. For the purposes of this valuation we have not been provided with a copy of an EPC for the premises. Our valuation is based on the assumption that any transaction will be conducted in accordance with the aforementioned legislation.

We have not arranged for any investigation to determine whether high alumina cement concrete, calcium chloride additive, blue asbestos or any other deleterious or hazardous material has been used in the construction, and we cannot therefore confirm that the properties are free from risk in this regard. Our valuations have been prepared on the assumption that any investigation would not reveal the presence of such materials.

We have not included plant and machinery not forming part of the service installations of the building. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools. Furthermore, no account of any goodwill that may arise from the present occupation of the properties is allowed for in our valuation.

We have not included any allowance in our valuation for works that might become necessary to enable access for disabled persons under the Equality Act 2010.

The Landlord and Tenant Act 1987 gives certain rights to residential tenants to acquire the freehold interest in a building where more than 50% of the floor space is in residential use. Where this is applicable we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act and that such tenants have elected not to acquire the freehold or head leasehold interest, and therefore any sale on the open market is unrestricted.

In respect of commercial premises valued on a yield basis, the Market Value reported is the gross amount paid for the subject interest, less an allowance for standard purchasers costs, calculated as 1.8% in respect of agents' and legal fees, together with stamp duty liability charged at different rates depending on the portion of the purchase price that falls within each band. In England and Wales this is up to £150,000 – 0%, £150,001 to £250,000 – 2% and over £250,000 – 5%. In Scotland this is up to £150,000 – 0%, £150,001 to £350,000 – 3% and over £350,000 – 4.5%.

### **Special Assumptions**

We have made no special assumptions.

### **Portfolio Value**

Having regard to the foregoing, we are of the opinion that the aggregate of the Market Values of the Company's interests in the properties held as investments, as at the 31 March 2017, subject to, and with the benefit of, the occupational tenancies, is:

**£108,850,000**

**(ONE HUNDRED AND EIGHT MILLION EIGHT HUNDRED AND FIFTY THOUSAND POUNDS)**

This is made up as follows:

<i>Category of Property</i>	<i>Aggregate value</i>
Freehold/Heritable	£86,975,000
Leasehold	£21,875,000
<b>Total</b>	<b>£108,850,000</b>

A breakdown of individual property values are contained within the Appendix.

### **Land at Banbury**

On 7 June 2017, Tilstone Industrial Limited, which will become a subsidiary of the Company upon the Company's admission to AIM, entered into a conditional contract to acquire a six acre freehold site immediately adjacent to Tramway Industrial Estate, Tramway Road, Banbury OX16 5TU. Subject to satisfaction of the conditions, the acquisition will complete after the Company's Admission to AIM. We carried out a valuation of the additional land at Banbury as at 15 August 2017, and based on the same valuation methodology and assumptions as for the Portfolio Value referred to above, reached the following valuation:

<i>Category of Property</i>	<i>Aggregate value</i>
Freehold land at Banbury	£900,000

### **No Material Change**

TPL has confirmed to us that, to its knowledge, there have been no material changes to the Properties since the effective date of this Valuation Report. We are aware that, since 31 March 2017, contracts have been exchanged for the acquisition of an additional property at Banbury, which we have valued at £900,000 on the basis set out above, but as this acquisition will not complete until after the Company's listing on AIM, it has not been included within the Properties for the purposes of this valuation. On this basis, in our opinion

there has been no material change to the Portfolio Value described above between the effective date of valuation and the date of this Valuation Report save in respect of the acquisition of the freehold land at Banbury described above.

**Responsibility**

This Valuation Report has been prepared for inclusion in the Prospectus and may not be reproduced or used in connection with any other purpose without our prior consent.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this Valuation Report to our statement, required by and given solely for the purposes of complying with Annex 1 item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this Valuation Report and declare that we have taken all reasonable care to ensure that the information contained in this Valuation Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This acknowledgement is included in the Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

**David Law**  
FRICS, RICS Registered Valuer  
Partner  
For and on behalf of Gerald Eve LLP

**Robin Van der Plank**  
MRICS, RICS Registered Valuer  
Partner  
For and on behalf of Gerald Eve LLP

Gerald Eve LLP is a limited liability partnership registered in England and Wales (registered number OC339470) and is regulated by the RICS. The term partner is used to refer to a member of Gerald Eve LLP or an employee or consultant with equivalent standing and qualifications. A list of members and non-members who are designated as partners is open to inspection at our registered office: 72 Welbeck Street, London W1G 0AY and on our website.

## Appendix – Schedule of Properties

<i>Town</i>	<i>Property</i>	<i>Postcode</i>	<i>Tenure</i>	<i>Use</i>	<i>Market Value as at 31 March 2017</i>
Ballymena	Pentagon Retail Park, Galgorm Road	BT43 5LU	Freehold	Retail	£2,125,000
Banbury	Tramway Industrial Estate, Tramway Road	OX16 5TU	Freehold	Industrial	£10,500,000
Bangor	Britannia Retail Park	LL5 4SU	Freehold	Retail	£875,000
Basingstoke	Unit 2, Daneshill Industrial Estate, Rutherford Road	RG24 8PD	Long Leasehold	Industrial	£8,200,000
Carlisle	Crown Street	CA2 5AB	Freehold	Retail	£1,575,000
Coventry	Austin Drive	CV6 7NS	Freehold	Trade	£3,950,000
Doncaster	Delta Court, Hayfield Lane, Finningley	DN9 3GN	Freehold	Industrial	£2,500,000
Doncaster	Shaw Lane Industrial Estate, Ogden Lane	DN2 4SQ	Freehold	Industrial	£3,625,000
East Kilbride	Cairn Court, 1-10	G74 4NB	Freehold	Industrial	£3,500,000
Edinburgh	South Fort Street Trade Park, 1-5 West Bowling Green St	EH6 5PE	Long Leasehold	Trade	£1,950,000
Edinburgh	South Gyle Industrial Estate, 23 South Gyle Crescent	EH12 9EB	Long Leasehold	Industrial	£3,400,000
Ellesmere Port	Unit 1-9 Thornton Industrial Estate, Burnell Road	CH65 5EX	Long Leasehold	Industrial	£700,000
Ellesmere Port	Complete House, Ross Road	CH65 3DB	Short Leasehold (<50 years)	Industrial	£125,000
Glasgow	Queenslie Industrial Estate	G33 4BD	Heritable	Industrial	£13,800,000
Halifax	Pellon Lane Retail Park, Pellon Lane	HX1 5RA	Freehold	Retail	£2,500,000
Leeds	Sussex Avenue,	LS10 2LF	Long Leasehold	Industrial	£1,850,000
Leeds	Vantage Point, Howley Park Industrial Estate, Morley	LS27 0BN	Freehold	Industrial	£3,725,000
Newmarket	Lynx Business Park, Snailwell Road	CB8 7NY	Freehold	Industrial	£2,550,000
Newport	Carisbrooke Retail Park	NP19 4QZ	Long Leasehold	Retail	£5,650,000
Newport*	Unit 1 Celtic Business Park	PO30 5LG	Freehold	Industrial	£3,675,000
Oldbury	Oldbury Point	B69 4HT	Freehold	Industrial	£3,450,000
Preston	Lincoln Park	PR5 8NA	Freehold	Industrial	£1,950,000
Runcorn	Jensen Court	WA7 1PJ	Freehold	Industrial	£2,900,000
Uddingston	Birkenshaw Retail Park, Unit 1 and Units A-C	G71 5PR	Freehold	Retail	£5,650,000
Warrington	Gawsworth Court	WA3 6NJ	Freehold	Industrial	£6,000,000
Winsford	Nat Lane Retail Park	CW7 3GZ	Freehold	Retail	£3,575,000
Witney	Witan Park Industrial Estate, Station Lane	OX28 4YQ	Freehold	Industrial	£8,550,000

\* Assumes contracts had been exchanged as at 31 March 2017 and completed shortly thereafter

## PART VI

### DETAILS OF THE ISSUE AND THE CONSIDERATION SHARES

#### 1 The Issue – Introduction

The Issue comprises the Placing and the Offer for Subscription (which includes the Intermediaries Offer). An additional 16 million Ordinary Shares will be issued to the Tilstone Investors in accordance with the terms of the Acquisition. The Company is offering up to 150 million Ordinary Shares under the Issue, to be split between Placees under the Placing and subscribers under the Offer for Subscription and the Intermediaries Offer. The Ordinary Shares to be issued pursuant to the Issue will be issued at a price of £1.00 per Issue Share. The total number of Ordinary Shares to be issued and their allocation to Investors under the Placing, the Offer for Subscription and the Intermediaries Offer will be determined by the Company (following consultation with Peel Hunt and TPL) after taking into account demand for the Ordinary Shares, subject to a maximum aggregate number of 150 million Ordinary Shares. The Board may increase the number of available Ordinary Shares to 200 million following consultation with TPL and Peel Hunt. Any such increase will be announced through a Regulatory Information Service announcement and the Company's website, prior to Admission. The Issue is conditional, *inter alia*, upon investors subscribing for Ordinary Shares for an aggregate subscription price of not less than £80 million.

The Issue, which is not underwritten, is conditional, *inter alia*, upon:

- (a) the Placing and Offer Agreement having become wholly unconditional (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission;
- (b) Admission becoming effective not later than 8.00 a.m. on 20 September 2017 or such later time and/or date as Peel Hunt, the Company and TPL may agree in writing, being not later than 8.00 a.m. on 31 October 2017; and
- (c) the aggregate Issue Price of the Ordinary Shares subscribed by Investors being not less than the Minimum Gross Issue Proceeds.

If the above conditions are not met, the Issue will not proceed and, in such an event, subscription monies will be returned without interest at the risk of the applicant to the bank account from which the money was received.

The Directors believe that the profile of a typical investor in the Company is an institution or professionally advised individual. 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 the Ordinary Shares. Investors should ensure they understand and accept the risks inherent in the Company's investment policy.

#### 2 The Placing

Up to 150 million Ordinary Shares are available to be placed on behalf of the Company at the Issue Price to raise up to £150 million before expenses.

The Company, TPL, the Directors and Peel Hunt have entered into the Placing and Offer Agreement pursuant to which Peel Hunt has agreed, subject to certain conditions, to use reasonable endeavours to procure Placees in the Placing.

The Placing and Offer Agreement contains provisions entitling Peel Hunt to terminate the Issue (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to each applicant without interest at the applicant's risk.

The Placing and Offer Agreement provides for Peel Hunt to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Placing, the Offer for Subscription and the Intermediaries Offer. Under the Placing and Offer Agreement, Peel Hunt is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Issue. Peel Hunt is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Issue to any or all of those agents out of its own resources. Further details of the Placing and Offer Agreement are set out in paragraph 13.1 of Part XI: “*Additional Information*” of this Prospectus.

Payment for the Ordinary Shares, in the case of the Placing, should be made in accordance with the settlement instructions to be provided to Placees by Peel Hunt.

Placees will receive a contract note following closing of the Placing and prior to Admission of the Ordinary Shares notifying them of the number of Ordinary Shares they will receive. Dealings in the Ordinary Shares issued pursuant to the Placing will not be permitted prior to Admission.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of the Prospectus and prior to the close of the Placing, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The terms and conditions which shall apply to any subscription for Ordinary Shares procured by Peel Hunt pursuant to the Placing are contained in Appendix I: “*Terms and Conditions of the Placing*” of this Prospectus.

### **3 The Offer for Subscription**

The Company has agreed to make an offer for Ordinary Shares under the Offer for Subscription (to certain categories of investors) at the Issue Price.

Investors (save for overseas investors unless they are permitted to do so) may apply for Ordinary Shares through the Offer for Subscription. The aggregate subscription price is payable in full on application. Applications under the Offer for Subscription must specify a fixed sum in sterling, being the aggregate subscription price for the Ordinary Shares for which they wish to apply at the Issue Price. Individual applications must be for Ordinary Shares with a minimum aggregate value at the Issue Price of £1,000. If an application is for a larger number of Ordinary Shares, the number must be a multiple of 100.

The procedure for, and the terms and conditions of, application under the Offer for Subscription are set out in Appendix II: “*Terms and Conditions of Application under the Offer for Subscription*” and an application form for use under the Offer for Subscription is enclosed with this Prospectus. These terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisers if they are in any doubt.

Completed application forms accompanied by a cheque or banker’s draft in relation to the Offer for Subscription must be posted to or delivered by hand (during normal business hours) to Capita Asset Services Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received by 1:00 p.m. on 14 September 2017.

The Placing and Offer Agreement provides for Peel Hunt to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Placing, the Offer for Subscription and the Intermediaries Offer. Under the Placing and Offer Agreement, Peel Hunt is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Offer for Subscription. Peel Hunt is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Offer for Subscription to any or all of those agents out of its own resources. Further details of the Placing and Offer Agreement are set out in paragraph 13.1 of Part XI: “*Additional Information*” of this Prospectus.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of the Prospectus and prior to the close of the Offer for Subscription, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

#### **4 The Intermediaries Offer**

The Company, Peel Hunt and the Intermediaries who have been appointed by the Company prior to the date of this Prospectus (being those Intermediaries detailed in paragraph 26 of Part XI: “*Additional Information*” of this Prospectus) have subscribed pursuant to the Intermediaries Terms and Conditions which state that, in connection with the Intermediaries Offer, they will be acting as agent of retail or other investors in the UK, the Channel Islands or the Isle of Man. The Intermediaries Offer will close at 10.00 a.m. on 15 September 2017.

No Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, the Channel Islands and the Isle of Man. A minimum application of £1,000 per Underlying Applicant will apply. Determination of the number of Ordinary Shares offered will be determined solely by the Company (following consultation with Peel Hunt and TPL. Allocations to Intermediaries will be determined solely by the Company (following consultation with Peel Hunt and TPL).

An application for Ordinary Shares in the Intermediaries Offer means that the Underlying Applicant agrees to acquire the Ordinary Shares applied for at the Issue Price. Each Underlying Applicant must comply with the appropriate money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for Ordinary Shares. Where an application is not accepted or there are insufficient Ordinary Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the Underlying Applicant as required and all such refunds shall be made without interest. The Company, TPL and Peel Hunt accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on entering into the Intermediaries Terms and Conditions agree, to elect to receive: (i) a commission from Peel Hunt where the payment of such commission is not prohibited; (ii) a payment from Peel Hunt in connection with the administering of corporate actions and/or advertising in relation to the Intermediaries Offer; or (iii) no commission or fees. Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom, the Channel Islands and the Isle of Man subject to the terms of the Intermediaries. Any such materials, information or advice are solely the responsibility for the relevant Intermediary and will not be reviewed or approved by any of the Company, TPL or Peel Hunt. Any liability relating to such documents shall be for the relevant Intermediaries only.

#### **5 Scaling back**

A maximum of 150 million Ordinary Shares are available for subscription under the Issue. If there is unforeseen demand, the Board may increase the number of available Ordinary Shares to 200 million following consultation with TPL and Peel Hunt. Any such increase will be announced through a Regulatory Information Service or on the Company’s website. Peel Hunt reserves the right in its sole and absolute discretion but after consultation with the Company and TPL, to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Ordinary Shares pursuant to the Placing, Offer for Subscription or Intermediaries Offer.

Accordingly, applicants for Ordinary Shares may, in certain circumstances, not be allotted the number of Ordinary Shares for which they have applied.

The result of the Issue (and any scaling back) will be announced prior to Admission through a Regulatory Information Service. The balance of subscription monies in the event of scaling back (or unsuccessful applications) will be posted to applicants by cheque, without interest, within 14 days thereafter, at the applicant's own risk.

## **6 Consideration Shares to be issued on completion of the Acquisition**

The Company has entered into the Acquisition Agreements pursuant to which the Company proposes to acquire certain companies (as described in further detail in paragraph 4 of Part I "*Information on the Group*" of this Prospectus) which together hold the Tilstone Property Portfolio. The Acquisition is conditional upon Admission and completion of the Acquisition will therefore occur upon Admission.

The consideration payable to the Tilstone Investors on completion of the Acquisition Agreements will be satisfied by: (i) the allotment and issue of the Consideration Shares to the relevant Tilstone Investors in proportion to their respective interests in the Tilstone Property Portfolio; and (ii) the payment of the Cash Consideration (together with any post completion net asset adjustment) to the relevant Tilstone Investors in proportion to their respective interests in the Tilstone Property Portfolio. Further details of the Acquisition Agreements are contained in paragraph 13.4 of Part XI "*Additional Information*" of this Prospectus.

## **7 Lock-in arrangements**

No Person is offering to sell Ordinary Shares as part of the Issue.

As required by the AIM Rules, the Directors and Tilstone Investors are prohibited from disposing of Ordinary Shares, or interests in Ordinary Shares for twelve months from Admission subject to certain permitted exceptions.

In addition, the Directors and the Tilstone Investors have agreed (as applicable) under the Placing and Offer Agreement and pursuant to the Lock-In Agreement, not to dispose of, or enter into an agreement to dispose of, any Consideration Shares or interests in Consideration Shares for a further period of 12 months following the expiration of the above period, subject to certain customary exceptions or unless Peel Hunt otherwise consents in writing.

The Company has undertaken not to offer, issue or sell Ordinary Shares (or securities convertible into Ordinary Shares or securities whose price is determined by reference to the price of Ordinary Shares) for a period commencing on the date of the Placing and Offer Agreement for a period of 180 days from Admission unless Peel Hunt otherwise consents in writing.

## **8 Dealing and settlement**

Application will be made for all of the ordinary share capital of the Company, being the Existing Ordinary Share and the new Ordinary Shares that will be issued in connection with the Acquisition and the Issue, to be admitted to trading on AIM. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or to be dealt in on any other exchange. It is expected that Admission will become effective, and that dealings will commence in the Ordinary Shares on AIM, at 8:00 a.m. (London time) on 20 September 2017.

Ordinary Shares issued pursuant to the Issue will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that definitive certificates in respect of the Ordinary Shares will, where requested or required by law, be despatched during the week commencing 25 September 2017. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the Company's register of members. The Issue cannot be revoked after dealings have commenced which is expected to be on 20 September 2017.

Peel Hunt intends to register as a market maker in the Company's shares. However, the Company is not able to guarantee that at any particular time Peel Hunt or other market makers will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares.

Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the NAV per Ordinary Share.

## **9 CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

## **10 Issue Costs**

The costs and expenses of the Issue, which will be met by the Company out of the proceeds of the Issue, include the costs of incorporation of the Company, the fees and commissions payable to Peel Hunt and the fees payable to professional advisers and other related expenses in connection with the Issue. Although the Issue Costs will vary depending upon the number of subscriptions received under the Issue, assuming the maximum number of Ordinary Shares are subscribed under the Issue, the Issue Costs, which will be indirectly borne by investors, are not expected to exceed 2.0 per cent. of the aggregate value, at the Issue Price, of the Issue Shares and the Consideration Shares. Assuming the maximum number of Ordinary Shares are subscribed under the Issue, the Issue Costs are expected to be £3,200,000.

## **11 ISAs**

Any person wishing to apply for Ordinary Shares under the Offer for Subscription or the Intermediaries Offer through any ISA account should contact their ISA manager as soon as possible. Ordinary Shares acquired through the Placing are not eligible for inclusion in an ISA account.

The Ordinary Shares will be a qualifying investment for the stocks and shares component of an ISA, provided they are acquired by an ISA plan manager pursuant to the Offer for Subscription or the Intermediaries Offer. Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Ordinary Shares through an ISA is restricted to certain UK resident individuals aged 18 or over and subject to applicable annual subscription limits (£20,000 for the 2017/2018 tax year). A disposal of Ordinary Shares in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in the relevant tax year.

Shares in equities listed on AIM, such as the Company, only qualify for the stocks and shares component of an ISA where the investments of the REIT themselves continue to meet certain tests laid down by law. The intention of the Directors is to manage the Company in a way which will allow the Ordinary Shares to qualify as ISA investments.

## **12 SIPPs/SSAS**

Any person wishing to apply for Ordinary Shares under the Offer for Subscription through a Self-Invested Personal Pension (“SIPP”) or a Small Self-Administered Scheme (“SSAS”) should contact their savings plan manager as soon as possible.

Ordinary Shares may be eligible for inclusion in a SIPP or SSAS, subject to the trustees/investment managers of the relevant SIPP or SASS having firstly satisfied themselves that the proposed investment falls within the permitted investment/non-taxable property rules that apply to UK registered SIPPs and SSASs.

## **13 Overseas investors**

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Investment Manager.

The Company has elected to impose the restrictions described below on the Issue and on the future trading of the Ordinary Shares so that the Company will not be required to register the offer and sale of the Ordinary Shares under the Securities Act and will not have an obligation to register as an investment company under the Investment Company Act and related rules and also to address certain ERISA, Internal Revenue Code and other considerations.

These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Ordinary Shares to trade such securities. The Company and its agents will not be obligated to recognise any resale or other transfer of the Ordinary Shares made other than in compliance with the restrictions described below.

The Ordinary Shares have not been, nor will be, registered under the Securities Act or under the securities legislation of any state or other political sub-division of the United States and the Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act). There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act. Moreover, 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. The Ordinary Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S to: (i) a person outside the United States and not known by the transferor to be a U.S. Person, by prearrangement or otherwise; or (ii) the Company or a subsidiary thereof.

The relevant clearances have not been and will not be, obtained from the securities commission of any province or territory of Canada, Australia, the Republic of South Africa or Japan and they may not, subject to certain exceptions, be offered or sold directly or indirectly in, into or within Canada, Australia, the Republic of South Africa or Japan or any national, citizen or resident of Canada, Australia, the Republic of South Africa or Japan. This Prospectus does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

Unless otherwise agreed by the Board, the Ordinary Shares will only be offered for subscription pursuant to the Offer for Subscription and the Intermediaries Offer to potential investors who are resident in the United Kingdom and will only be available for subscription through the Intermediaries Offer by clients of Intermediaries who are resident in the United Kingdom, the Channel Islands or the Isle of Man. The making of the Offer for Subscription to overseas investors is at the discretion of the Board and may be affected by the laws or regulatory requirements of relevant jurisdictions. Overseas investors who wish to subscribe for Ordinary Shares under the Offer for Subscription are referred to paragraph 7 of the Terms and Conditions of Application under the Offer for Subscription set out in Appendix II: “*Terms and Conditions of the application of the under the Offer for Subscription*” of this Prospectus. Potential investors who are in any doubt as to their position in this respect are strongly recommended to consult their own professional advisers as soon as possible.

#### **14 Money laundering**

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents, TPL, the Receiving Agent and Peel Hunt may require evidence in connection with any application for Ordinary Shares, including further identification of the applicant(s) before any Ordinary Shares are issued.

The Company and its agents, TPL, the Receiving Agent and Peel Hunt reserve the right to request such information as is necessary to verify the identity of the prospective Shareholder and (if any) the underlying prospective beneficial owner of the Ordinary Shares. In the event of delay or failure by the prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with Peel Hunt and TPL, may refuse to accept a subscription for Ordinary Shares.

## **15 Subscriber Warranties**

Each subscriber of Ordinary Shares in the Issue will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out either in paragraph 5 in Appendix I: “*Terms and conditions of the Placing*” or paragraph 5 of Appendix II: “*Terms and conditions of the Offer for Subscription*” of this Prospectus (as the case may be).

The Company, TPL, Peel Hunt, 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.

## **16 Use of the proceeds of the Issue**

The net proceeds of the Issue will be used to:

- (i) pay the Cash Consideration of £8.16 million (together with any post-completion net asset adjustment) due pursuant to the Acquisition;
- (ii) repay the Debt Repayment Amount of £47.4 million which is secured on the properties in the Tilstone Property Portfolio;
- (iii) repay the Unsecured Subordinated Shareholder Debt of £8.9 million which is attached to the Tilstone Property Portfolio; and
- (iv) purchase a diversified portfolio of additional properties in accordance with the Company’s investment policy.

## PART VII

### HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

#### Historical Financial Information relating to Warehouse REIT plc

##### Statement of Comprehensive Income

The Company did not trade during the period from incorporation on 24 July 2017 to 31 July 2017 and received no income or incurred no expenditure. Consequently, during this period the Company made neither a profit nor loss, nor recognised any other gains or losses.

	<i>Notes</i>	<i>As at 31 July 2017 £'000</i>
<b>Statement of Financial Position</b>		
<b>Current assets</b>		
Trade and other receivables	3	37.5
Cash and cash equivalents	4	12.5
<b>Total assets and net assets</b>		50.0
<b>Equity</b>		
Share capital	5	50.0
<b>Total equity attributable to the owners of the Company</b>		50.0

##### Statement of Changes in Equity

	<i>Notes</i>	<i>Share capital £'000</i>	<i>Total equity attributable to owners of the Company £'000</i>
<i>For the period ended 31 July 2017</i>			
Ordinary shares issued	5	50.0	50.0
<b>Balance at 31 July 2017</b>		50.0	50.0

##### Statement of Cash flows

	<i>Period from incorporation to 31 July 2017 £'000</i>
<i>For the period ended 31 July 2017</i>	
<b>Cash flows from financing activities</b>	
Proceeds from issue of share capital	12.5
<b>Net cash flow generated from financing activities</b>	12.5
Net increase in cash and cash equivalents	12.5
<b>Closing balance at 31 July 2017</b>	12.5

## Notes to the historical financial information

### 1 General Information

Warehouse REIT plc (the “Company”) is a company domiciled in the United Kingdom. The Company’s registered office address is Gorse Stacks House, George Street, Chester, CH1 3EQ.

The Company was incorporated on 24 July 2017 to act as a holding company and as at 31 July 2017, the Company did not hold any investments and had therefore not commenced its principal activity.

The historical financial information is presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

### 2 Accounting policies and Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The historical financial information is prepared from incorporation on 24 July 2017 to the 31 July 2017 and, therefore no comparative information is presented.

There are no significant accounting judgements, estimates or assumptions required in presenting the historical financial information.

The historical financial information has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### *Redeemable Ordinary Shares*

Redeemable ordinary shares are treated as equity instruments at 31 July 2017 as the event that triggers the redemption, the decision to admit the Company’s shares to trading on AIM, is solely at the discretion of the Company and the Company has no obligation to proceed. There is therefore no existing contractual obligation to deliver cash or another financial asset to another entity in relation to the Redeemable Ordinary Shares.

#### *Cash or cash equivalents*

Cash or cash equivalents comprise cash in hand held by the Company with maturities of less than three months.

### 3 Trade and Other Receivables

	<i>31 July 2017</i>
	<i>£’000</i>
Other Receivables	37.5

The Company has 50,000 £1 Redeemable Ordinary Shares in the capital of the Company, of which, 25% are paid up (£12,500) and remaining 75% is an other receivable (£37,500) from Tilstone Partners Limited, a related party.

### 4 Cash and Cash Equivalents

	<i>31 July 2017</i>
	<i>£’000</i>
Cash	12.5

## 5 Share Capital

Class	Nominal Value £	No. of Shares	31 July 2017 £'000
Ordinary Share	0.01	1	–
Redeemable Ordinary Share	1.00	50,000	50.0
<b>As at 31 July 2017</b>		<b>50,001</b>	<b>50.0</b>

The Company has in issue one Ordinary Share and 50,000 Redeemable Ordinary Shares in the capital of the Company, of which, the one Ordinary Share is fully paid up (£0.01) and 50,000 Redeemable Ordinary Shares are 25% paid up (£12,500).

### *Redeemable Ordinary Shares*

The Redeemable Ordinary Shares shall be redeemed by the Company immediately upon any future admission to AIM in consideration of the payment of a sum equal to the amount received by the Company in payment up of the amount due on the Redeemable Ordinary Shares.

In all other respects, the rights of the Redeemable Ordinary Shares are the same as, and rank pari passu with, the Ordinary Shares.

## 6 Ultimate Controlling Party

The ultimate parent company and the smallest and largest group in which the results of this Company are consolidated is TPL, a company registered in the United Kingdom. TPL directly or indirectly hold 100 per cent. of the shares in the Company. The Group accounts may be obtained from the registered office of the Company.

## 7 Related Party Transactions

Balances and transactions between the Company, and its related parties, are disclosed in this note.

	31 July 2017 £'000
Other receivables from shareholder: Tilstone Partners Limited	37.5

## 8 Post Balance Sheet Events

### (a) *Directors*

On 1 August 2017, N.W Kirton and A.J.G Pitman were appointed as Directors of the Company.

### (b) *Investment Manager*

The Company, G10 Capital Limited and Tilstone Partners Limited are party to the Investment Management Agreement dated 22 August 2017. Pursuant to the Investment Management Agreement, the Company has agreed, with effect from any future Admission to AIM, to engage G10 Capital Limited as investment manager until such time as Tilstone Partners Limited is approved as alternative investment fund manager by the FCA and thereafter to engage Tilstone Partners Limited as its Investment Manager. Tilstone Partners Limited will act exclusively for the Company upon its appointment.

The Investment Manager is responsible for portfolio and risk management and the monitoring of the assets of the Company and has full discretionary authority over the acquisition and disposition of the Company's assets, with power to incur borrowings, give guarantees and securities and undertake other transactions on behalf of the Company in accordance with the Investment Management Agreement and the Company's investment policy and in compliance with the AIFM Directive. The Investment Manager is also responsible for exercising the other powers and functions of the Investment Manager

to ensure compliance with the AIFM Directive. The Investment Manager's duties under the Investment Management Agreement are owed to the Company rather than directly to the shareholders, whether individually or in groups.

(c) ***Acquisition agreements***

The Tilstone Property Portfolio comprises 27 freehold and long leasehold properties located throughout the UK. The portfolio was valued at £108.85 million as at 31 March 2017. The Acquisition Agreements are conditional on any future admission to AIM and completion will therefore occur simultaneously with, and conditionally upon, such future admission.

Upon the Acquisition Agreements becoming unconditional the shareholders of Tilstone Warehouse Holdco Limited (the Tilstone Warehouse Investors') will be issued and allotted 4,180,662 ordinary shares in the Company pro rata to their respective interests in the Tilstone Warehouse Portfolio and having due regard to the relative proportion that the Tilstone Warehouse Portfolio comprises of the Tilstone Property Portfolio. The shareholders of Tilstone Holdings Limited (the 'Tilstone Holdings Investors') will be issued and allotted 11,819,338 shares in the Company, having due regard to the relative proportion that the Tilstone Property Portfolio comprises of the Tilstone Property Portfolio, and cash consideration of £8,163,674 (the 'Cash Consideration'). The Cash Consideration is payable on the basis of the estimated net assets of each of the Tilstone Holdings Portfolio and Tilstone Warehouse Portfolio and accordingly each of the Acquisition Agreements include a post-completion net asset adjustment mechanism.

The Company has entered into two agreements dated 22 August 2017 pursuant to which the Company has agreed to acquire the Tilstone Warehouse Portfolio through the acquisition of the entire issued share capital of Tilstone Warehouse Holdco Limited, and the Tilstone Holdings Portfolio through the acquisition of the entire issued share capital of Tilstone Holdings Limited (together the 'Acquisition Agreements') (the Tilstone Warehouse Portfolio and the Tilstone Holdings Portfolio together the 'Tilstone Property Portfolio').

(d) ***AIM admission expenses***

Should the company be successful in its issue of up to 150,000,000 ordinary share of the Company pursuant to a placing and offer for subscription, and subsequent planned admission to AIM (see the strategic report), it will become liable for advisers fees of up to £3.2 million dependent on the level of funds raised. These fees will be paid out of the fund raised.



## Accountant's report on the Historical Financial Information of the Company

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

The Board of Directors  
on behalf of Warehouse REIT plc  
Gorse Stacks House  
George Street  
Chester  
United Kingdom  
CH1 3EQ

Peel Hunt LLP  
Moor House  
120 London Wall  
London  
EC2Y 5ET

23 August 2017

Dear Sirs

### **Warehouse REIT plc**

We report on the financial information for the period from incorporation on 24 July 2017 to 31 July 2017 set out in Part VII of the prospectus dated 23 August 2017 of Warehouse REIT plc (the "Company") (the "Prospectus"). This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in Note 2 to the financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 2 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London, EC4A 3BZ, United Kingdom.

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**Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Opinion on financial information**

In our opinion, the financial information gives, for the purpose of the Prospectus, a true and fair view of the state of affairs of the Company as at 31 July 2017 and of its cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in Note 2 to the financial information.

**Declaration**

For the purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP

## PART VIII

### UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

#### Unaudited pro forma statement of net assets as at 31 July 2017

The unaudited pro forma statement of net assets set out below has been prepared to illustrate the effects of the Placing and the Acquisition on the net assets of the Group, had the Placing and the Acquisition taken place on 31 July 2017. The unaudited pro forma statement of net assets has been prepared in a manner consistent with the accounting policies applied in preparing the Historical Financial Information of the Company for the period from incorporation to 31 July 2017 (see Part VII: “*Historical Financial Information*”), and the basis set out in the notes below. No account has been taken of any results or other activity since 31 July 2017.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only, and by its nature addresses a hypothetical situation and, therefore, does not reflect the Group’s actual financial position or results. It may not therefore give a true picture of the Group’s financial position or results, nor is it indicative of the results that may or may not be achieved in the future.

	<i>Company assets as at 31 July 2017 GBP '000 Note 1</i>	<i>Net proceeds of the Offer GBP '000 Note 3</i>	<i>Acquisition of Initial Property Portfolio GBP '000 Note 4</i>	<i>Repayment of debt and cash consideration GBP '000 Note 5</i>	<i>Consolidated pro forma statement of net assets of the Group as at 31 July 2017 GBP '000 Note 6</i>
<b>Assets</b>					
<b>Non-current assets</b>					
Investment properties	–	–	108,850	–	108,850
<b>Total non-current assets</b>	<b>–</b>	<b>–</b>	<b>108,850</b>	<b>–</b>	<b>108,850</b>
<b>Current assets</b>					
Cash and cash equivalents	–	146,800	(396)	(64,446)	81,958
<b>Total assets</b>	<b>–</b>	<b>146,800</b>	<b>108,454</b>	<b>(64,446)</b>	<b>190,808</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	–	–	(84,980)	56,282	(28,698)
<b>Total liabilities</b>	<b>–</b>	<b>–</b>	<b>(84,980)</b>	<b>56,282</b>	<b>(28,698)</b>
<b>Net assets</b>	<b>–</b>	<b>146,800</b>	<b>23,474</b>	<b>(8,164)</b>	<b>162,110</b>

**Notes:**

- (1) The net assets of the Company have been extracted, from the historical financial information in Part VII for the period from incorporation to 31 July 2017. As at 31 July 2017, the net assets of the Company amounted to £50,000, represented by issued ordinary share capital of £0.01 and redeemable ordinary share capital of £50,000. The full value of the redeemable ordinary shares will be redeemed immediately upon Admission and as a result the net assets of the Company are presented as £nil above.
- (2) This pro forma statement of net assets does not constitute financial statements within the meaning of section 434 of the Act.
- (3) As set out in Part VI the total net proceeds received by the Company from the Issue are estimated to be approximately £146,800,000, after deduction of transaction related costs of £3,200,000 assuming subscription of 150 million Ordinary Shares.
- (4) The Company has entered into the Acquisition Agreements with the Tilstone Investors to acquire the Tilstone Property Portfolio upon Admission. The Tilstone Investors shall be allotted and issued with £16,000,000 of consideration shares at the Issue Price, and cash consideration of £8,164,000 as detailed in note (5) below and Part XI: “*Additional Information*”. In return, the Company will acquire investment properties with a fair value of £108,850,000 at 31 March 2017 (see Part V), shareholder loans of

£8,932,000 and associated interest payable of £119,000 (see Part VI: “*Details of the Issue and the Consideration Shares*”, Section 16), a HSBC term loan and revolving credit facility totalling £41,384,000 (net of prepaid loan arrangement fees of £271,000) and associated interest payable of £246,000 (see Part XI: “*Additional Information*”, Section 13.5), and a Tedel loan of £33,495,000 and associated interest payable of £804,000 (see Part XI: “*Additional Information*”, Section 13.8). As part of the acquisition of the investment properties, the Company will also pay £690,000 in associated transaction fees and stamp duty, and will receive £294,000 of prepaid transaction related costs within entities holding the Initial Property Portfolio.

- (5) As set out in Part VI: “*Details of the Issue and the Consideration Shares*”, the net proceeds of the Issue will be used to pay off existing debt within the Tilstone Property Portfolio. Shareholder loans due to the Tilstone Investors of £8,932,000 (see Part VI: “*Details of the Issue and the Consideration Shares*”, Section 16) will be repaid. £13,855,000 will be used to reduce the existing HSBC Revolving Credit Facility to £nil (see Part XI: “*Additional Information*”, Section 13.8) and £33,495,000 to repay the Tedel Facility (see Part XI: “*Additional Information*”: Section 13.8). £8,164,000 (see Part XI: “*Additional Information*”, Section 13.1) will be used to pay the Tilstone Investors consideration on Admission pursuant to the terms of the Acquisition Agreements, for the acquisition by the Company of the Tilstone Property Portfolio.
- (6) The Company has not traded since incorporation. No adjustment has been made to reflect the results of the Company since 31 July 2017 or any other change in its financial position in that period.



## Report on Pro forma financial information

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

The Board of Directors  
on behalf of Warehouse REIT plc  
Gorse Stacks House  
George Street  
Chester  
United Kingdom  
CH1 3EQ

Peel Hunt LLP  
Moor House  
120 London Wall  
London  
EC2Y 5ET

23 August 2017

Dear Sirs,

### Warehouse REIT plc (the “Company”)

We report on the pro forma financial information (the “Pro forma financial information”) set out in Part VIII of the prospectus dated 23 August 2017 (the “Prospectus”), which has been prepared on the basis described in notes 1-6, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements as at 31 July 2017. This report is required by the Commission Regulation (EC) No 809/2004 (the “Prospectus Directive Regulation”) and is given for the purpose of complying with that requirement and for no other purpose.

### Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Pro forma financial information in accordance with Annex II items 1 to 6 of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

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In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

### **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

### **Opinion**

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

### **Declaration**

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP

## PART IX

### THE UK REIT REGIME

#### 1 General

- 1.1 The statements on taxation below are intended to be a general summary of certain tax consequences that may arise in relation to the Group and Shareholders. This is not a comprehensive summary of all technical aspects of the taxation of the Group and its Shareholders and is not intended to constitute legal or tax advice to investors. Prospective investors should familiarise themselves with, and where appropriate should consult their own professional advisors on, the overall tax consequences of investing in the Company. The statements relate to investors acquiring Ordinary Shares for investment purposes only, and not for the purposes of any trade. 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 endure indefinitely. 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.
- 1.2 The statements below relate to the UK tax implications of a UK tax resident individual investing in the Company (unless expressly stated otherwise). The tax consequences may differ for investors who are not resident in the UK for tax purposes. Investors should seek their own professional advice as to this, as well as to any other relevant laws and regulations in the jurisdiction in which they are resident for tax purposes. The statements are based on current tax legislation and HMRC practice, both of which are subject to change at any time, possibly with retrospective effect.

#### 2 The UK REIT Regime

- 2.1 Unless and until REIT status is obtained, the Group will be subject to UK corporation tax on its profits and gains. The summary of the REIT Regime applicable in the UK below is intended to be a general guide only and constitute a high-level summary of the Company's understanding of certain aspects of current UK law and HMRC practice relating to the REIT Regime, each of which is subject to change, possibly with retrospective effect. It is not an exhaustive summary of all applicable legislation in relation to the UK REIT Regime. The UK REIT Regime was introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of CTA 2010.
- 2.2 Investing in property through a UK taxable corporate investment vehicle has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholder may effectively bear tax twice on the same income: first, indirectly, when the corporate investment vehicle pays direct tax on its profits, and secondly, directly (subject to any available exemption or with the benefit of a tax credit) when the shareholder receives a dividend. UK non-tax paying entities, such as UK pension funds, bear tax indirectly when investing through a taxable closed-ended corporate vehicle that is not a REIT which they would not suffer if they were to invest directly in the property assets.
- 2.3 As part of a group UK REIT, UK resident REIT Group members do not pay UK direct taxes on income and capital gains from their "Qualifying Property Rental Businesses" (being businesses within the meaning of section 205 of CTA 2009 or an overseas property business within the meaning of section 206 of CTA 2009, but in each case, excluding certain specified types of business (as per section 519(3) of CTA 2010) in the UK and elsewhere) and non-UK tax resident REIT Group members with a UK Qualifying Property Rental Business do not pay UK direct taxes on income from their UK Qualifying Property Rental Businesses, provided that certain conditions are satisfied. Instead, distributions in respect of the tax-exempt Qualifying Property Rental Businesses will be treated for UK tax purposes as UK property income in the hands of shareholders. Part X: "*United Kingdom Taxation of Shareholders after entry into the REIT Regime*" of this Prospectus contains further detail on the UK tax treatment of shareholders in a REIT.

- 2.4 Gains arising to UK tax resident companies on the disposal of shares in property owning companies are, however, subject to UK corporation tax. In addition, REIT Group members will remain subject to overseas direct taxes in respect of any property rental business carried on outside the UK, and UK and overseas direct taxes are still payable in respect of any income and gains from the REIT Group's businesses (generally including any property trading business) not included in its Qualifying Property Rental Business (the "**Residual Business**").
- 2.5 Whilst within the REIT Regime, the Qualifying Property Rental Business will be treated as a separate business for corporation tax purposes from the Residual Business and a loss incurred by the Qualifying Property Rental Business cannot be set off against profits of the Residual Business (and *vice versa*).
- 2.6 A dividend paid by the Company relating to profits or gains of the Qualifying Property Rental Business of the members of the Group (other than gains arising to non-UK resident members of the Group) is referred to as a "PID" or a "Property Income Distribution". Other normal dividends paid by the Company (including dividends relating to the Residual Business) are referred to as "Non-PID Dividends". Under the REIT Regime, both PIDs and Non-PID Dividends are capable of being satisfied by stock dividends. Part X: "*United Kingdom Taxation of Shareholders after entry into the REIT Regime*" of this Prospectus contains further detail on the UK tax treatment of shareholders in a REIT.
- 2.7 The tax treatment of a dividend paid by the Company in the first accounting period after it achieves REIT status would depend on whether it is deemed to be paid out of profits that arose before or after the Company became a REIT. In addition, where on an on-going basis after the Company enters the REIT regime it makes distributions to Shareholders in excess of the amount required to satisfy the "distribution condition" for each accounting period (see below), distributions to Shareholders are likely to consist of a mixture of PID and Non-PID Dividends as calculated in accordance with specific attribution rules. The Company will provide Shareholders with a certificate setting out how much, if any, of their dividends is a PID and how much is a Non-PID dividend.
- 2.8 In this Prospectus, references to a company's accounting period are to its accounting period for UK corporation tax purposes. This period can differ from a company's accounting period for other purposes.

### **3 Qualification as a REIT**

A group becomes a group UK REIT by the principal company serving notice on HMRC before the beginning of the first accounting period for which it wishes the group members to become a REIT. In order to qualify as a REIT, the REIT Group must satisfy certain conditions set out in CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the principal company in the REIT Group (which for the purposes of this Part IX will be the Company) must satisfy the conditions set out in paragraphs 3.1 to 3.4 and 3.6 below and the REIT Group as a whole must satisfy the conditions set out in paragraph 3.5.

#### **3.1 Company conditions**

The principal company of a REIT Group must be solely UK resident for tax purposes, admitted to trading on a recognised stock exchange and it must not be an open-ended investment company. The principal company's shares must either be listed on a recognised stock exchange throughout each accounting period or traded on a recognised stock exchange in each accounting period. This listing/traded requirement is relaxed in the REIT Group's first three accounting periods but the REIT Group can benefit from this relaxation only once. The principal company must also not (apart from in circumstances where it is only a close company because it has as a participator an institutional investor as defined in section 528(4A) of CTA 2010) be a "close company" (as defined in section 439 of CTA 2010 as amended by section 528(5) of CTA 2010) (the "close company condition"). In summary, the close company condition amounts to a requirement that the company cannot be under the control of 5 or fewer participators, or of participators who are directors (and participators for these purposes is defined in section 454 of CTA 2010), subject to certain exceptions. The close company condition is relaxed for the REIT Group's first three years.

### 3.2 *Share capital restrictions*

The principal company of the REIT Group must have only one class of ordinary share in issue. The only other shares it may issue are non-voting restricted preference shares, including shares which would be restricted preference shares but for the fact that they carry a right of conversion into shares or securities in the Company.

### 3.3 *Borrowing restrictions*

The principal 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 (subject to exceptions). 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 (the “**Financial Statements**”) in accordance with statutory requirements set out in sections 532 and 533 of CTA 2010 and submit these to HMRC. In particular, the Financial Statements must contain the information about the Qualifying Property Rental Business and the Residual Business separately.

### 3.5 *Qualifying Property Rental Business Conditions (including the Balance of Business conditions)*

The REIT Group must satisfy, amongst other things, the following conditions in respect of each accounting period during which the REIT Group is to be treated as a REIT:

- (a) the Qualifying Property Rental Business must throughout the accounting period involve at least three properties (and for these purposes, the relevant REIT legislation defines a single property as one that is designed, fitted or equipped for the purposes of being rented, and which is rented or available for rent as a separate commercial or residential unit separate from any other unit);
- (b) throughout the accounting period no one property (applying the definition of single property above) may represent more than 40 per cent. of the total value of the properties involved in the Qualifying Property Rental Business. Assets must be valued in accordance with international accounting standards and at fair value when international accounting standards offers a choice between a cost basis and a fair value basis;
- (c) the income profits arising from the Qualifying 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 IAS, before deduction of tax and excluding, broadly, gains and losses on the disposal of property and gains and losses on the revaluation of properties, fair value movements on derivatives and certain items outside the ordinary course of business;
- (d) at the beginning of the accounting period the value of the assets in the Qualifying Property Rental Business must represent at least 75 per cent. of the total value of assets held by the REIT Group (the “**75 per cent. assets condition**”). Cash held on deposit and gilts or relevant UK REIT Shares are included in the value of the assets relating to the Qualifying Property Rental Business for the purpose of meeting this condition.

In addition, the Qualifying Property Rental Business does not include any property which is classified as owner-occupied in accordance with generally accepted accounting practice (subject to certain exceptions).

### 3.6 *Distribution condition*

The principal company of the REIT (which, for the purposes of this Part, will be the Company) will be required (to the extent permitted by law) to distribute to shareholders (by way of cash or stock dividend), on or before the filing date for the principal company’s tax return for the accounting period

in question, at least 90 per cent. of the Group's property rental business profits as calculated for tax purposes (broadly, calculated using normal UK corporation tax rules) of the UK resident members of the REIT Group in respect of their Qualifying Property Rental Business and of the non-UK resident members of the REIT Group insofar as they are derived from their UK Qualifying Property Rental Business arising in each accounting period (the "**90 per cent. distribution condition**"). Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the failure, although in certain circumstances where the profits of the period are increased from the amount originally shown in the Financial Statements delivered to HMRC, this charge can be mitigated if an additional dividend is paid within a specified period which brings the amount of 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 (as described in paragraph 5.4 below) will be treated as having been paid.

#### **4 Investment in other REITs**

The Finance Act 2013 enacted changes to Part 12 of CTA 2010 in order to facilitate investments by REITs in other REITs. The legislation exempts a distribution of profits or gains of the Qualifying Property Rental Business of one REIT to another REIT. The investing REIT is required to distribute 100 per cent. of the distributions to its shareholders. The investment by one REIT in another REIT will effectively be treated as a Qualifying Property Rental Business asset for the purposes of the 75 per cent. assets condition.

#### **5 Effect of becoming a REIT**

##### **5.1 Tax exemption**

- (a) As a REIT, the REIT Group will not pay UK corporation tax on profits and gains from the Qualifying Property Rental Business. Corporation tax will still apply in the normal way in respect of the Residual Business.
- (b) Corporation tax could also be payable were the shares in a member of the REIT Group to be sold (as opposed to the sale of property involved in the Qualifying Property Rental Business). The REIT Group will also continue to pay all other applicable taxes including VAT, stamp duty land tax, stamp duty, PAYE, rates and national insurance contributions in the normal way.

##### **5.2 Dividends**

- (a) When the principal company of a REIT Group pays a dividend, that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution condition (and where it relates to profits or gains of the Qualifying Property Rental Business of the members of the REIT Group, other than gains arising to non-UK tax resident members of the Group). If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend to the extent there are any profits of the current or previous years which derive from activities of a kind in respect of which corporation tax is chargeable in relation to income (e.g. profits of the Residual Business). Any remaining balance of the dividend (or other distribution) will generally be deemed to be a PID, firstly in respect of the remaining income profits of the Qualifying Property Rental Business for the current year or previous years and secondly, in respect of capital gains which are exempt from tax by virtue of the REIT Regime (in either case distributed as a PID). Any remaining balance will be attributed to other Non-PID Dividends.
- (b) Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the United Kingdom tax treatment of certain categories of shareholder while the Group is in the REIT Regime are contained in Part X: "*United Kingdom Taxation of Shareholders after entry into the REIT Regime*" of this Prospectus.

- (c) If the REIT Group ceases to be a REIT, dividends paid by the principal company may nevertheless be PIDs to the extent they are paid in respect of profits and gains of the Qualifying Property Rental Business that arose whilst the REIT Group was within the REIT Regime.

### 5.3 *Interest cover ratio*

A tax charge will arise if, in respect of any accounting period, the REIT Group's ratio of income profits (before interest, capital allowances and losses brought forward) to financing costs (in both cases in respect of its Qualifying Property Rental Business) is less than 1.25:1. The amount (if any) by which the financing costs exceeds the amount of those costs which would cause that ratio to equal 1.25 (subject to a cap of 20 per cent. of the income profits) is chargeable to corporation tax.

### 5.4 *The "10 per cent. rule"*

- (a) The principal company of a REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a person beneficially entitled, directly or indirectly, to 10 per cent. or more of the principal company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the principal company. Shareholders should note that this tax charge only applies where a dividend is paid to persons that are companies or are treated as bodies corporate in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement, or in accordance with such a double taxation agreement. It does not apply where a nominee has such a 10 per cent. or greater holding unless the persons on whose behalf the nominee holds the shares meets the test in their own right.
- (b) This tax charge will not be incurred if the principal company has taken reasonable steps to avoid paying dividends to such a person. HMRC guidance describes certain actions that might be taken to show it has taken such "reasonable steps". One of these actions is to include restrictive provisions in the principal company's articles of association to address this requirement. The Articles (as summarised in paragraph 5.2 of Part XI: "*Additional Information*" of this Prospectus) are consistent with the provisions described in the HMRC guidance.

### 5.5 *Property development and property trading by a REIT*

- (a) A property development undertaken by a member of the REIT Group can be within the Qualifying Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of: (a) the date on which the relevant company becomes a member of a REIT Group, and (b) the date of the acquisition of the development property, and the REIT sells the development property within the three years beginning with the completion of the development, the property will be treated as never having been part of the Qualifying Property Rental Business for the purposes of calculating any gain arising on disposal of the property (and any tax exempt market value deemed disposal of the property on entry to the UK REIT Regime will be ignored). Any gain will be chargeable to corporation tax.
- (b) If a member of the REIT Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Qualifying Property Rental Business for the purposes of calculating any profit arising on disposal of the property (and any tax exempt market value deemed disposal of the property on entry to the REIT Regime will be ignored). Any profit will be chargeable to corporation tax.

### 5.6 *Movement of assets in and out of Qualifying Property Rental Business*

In general, where an asset owned by a UK tax resident member of the REIT Group and used for the Qualifying Property Rental Business begins to be used for the Residual Business, there will be a tax exempt market value disposal of the asset. Where an asset owned by a UK tax resident member of the REIT Group and used for the Residual Business begins to be used for the Qualifying Property Rental

Business, this will generally constitute a taxable market value disposal of the asset for UK corporation tax purposes, except for capital allowances purposes.

### 5.7 *Joint ventures*

- (a) The REIT Regime also makes certain provisions for corporate joint ventures. If one or more members of the REIT Group are beneficially entitled, in aggregate, 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 (or its subsidiaries) is carrying on a Qualifying Property Rental Business which satisfies the 75 per cent. profits condition and the 75 per cent. assets condition (the “JV company”) and certain other conditions are satisfied, the principal company may (with the consent of the joint venture company), by giving notice to HMRC, elect for the joint venture company and its subsidiaries to be treated as a member of the REIT Group (on a proportionate basis). This will result in the assets and income of the JV company to be included in the Qualifying Property Rental Business for tax purposes (on a proportionate basis). In such circumstances, the income of the JV company will count towards the 90 per cent. distribution condition and the 75 per cent. profits condition, and its assets will count towards the 75 per cent. assets condition (each on a proportionate basis).
- (b) The REIT Group’s share of the underlying income and gains arising from any interest in a tax transparent vehicle carrying on a Qualifying Property Rental Business, including offshore unit trusts or partnerships, should automatically fall within the REIT tax exemption, and will count towards the 75 per cent. profits conditions, provided the REIT Group is entitled to more than 20 per cent. of the profits and assets of the relevant tax transparent vehicle. The REIT Group’s share of the Qualifying Property Rental Business profits arising will also count towards the 90 per cent. distribution condition.

### 5.8 *Acquisitions and takeovers*

- (a) If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Qualifying Property Rental Business and capital gains on disposal of properties in the Qualifying Property Rental Business.
- (b) The position is different where a REIT is taken over by an acquirer 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 (unless the acquirer qualifies as an Institutional Investor and the REIT’s shares continue to be admitted to trading on a recognised stock exchange and are either listed or traded) and will therefore be treated as leaving the REIT Regime at the end of its accounting period preceding the takeover and ceasing from the end of that accounting period to benefit from tax exemptions on the profits of its Qualifying Property Rental Business and capital gains on disposal of property forming part of its Qualifying Property Rental Business. The properties in the Qualifying Property Rental Business are treated as having been sold and reacquired at market value for the purposes of corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax exempt as they are deemed to have been made at a time when the acquired REIT was still in the REIT Regime and future capital 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 recharacterised retrospectively as normal dividends.

### 5.9 *Certain tax avoidance arrangements*

If HMRC thinks that a member of the REIT Group 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 Qualifying Property Rental Business. In addition, if HMRC consider that the circumstances are sufficiently

serious or if two or more notices in relation to the obtaining of a tax advantage are issued by HMRC in a 10 year period, they may require the REIT Group to exit the REIT Regime.

## **6 Exit from the REIT Regime**

- 6.1 The principal company of the REIT Group can give notice to HMRC that it wants to leave the REIT Regime at any time. The Board retains the right to decide that the REIT Group should exit the REIT Regime at any time in the future without shareholder consent if it considers this to be in the best interests of the Company.
- 6.2 If the REIT Group (or a member of the REIT Group) voluntarily leaves the REIT Regime within 10 years of joining and disposes of any property that was involved in its Qualifying Property Rental Business within two years of leaving, any uplift in the base cost of the property as a result of the deemed disposals on entry into (if it was at a gain) and exit from the REIT Regime (or as a movement from the Qualifying Property Rental Business to the Residual Business) is disregarded in calculating the gain or loss on the disposal.
- 6.3 It is important to note that it cannot be guaranteed that the Company or the REIT Group will comply with all of the REIT conditions and that the REIT Regime may cease to apply in some circumstances. HMRC may require the REIT Group to exit the REIT Regime if:
  - (a) it regards a breach of certain conditions relating to the REIT Regime, or an attempt to obtain a tax advantage, as sufficiently serious; or
  - (b) the REIT Group or the Company have committed a certain number of breaches of the conditions in a specified period; or
  - (c) HMRC has given members of the REIT Group two or more notices in relation to the obtaining of a tax advantage within a 10 year period of the first notice having been given.
- 6.4 In addition, if the conditions for REIT status relating to the share capital of the principal company and the prohibition on entering into loans with abnormal returns are breached or the principal company ceases to be UK resident, becomes dual resident or an open-ended company, it will automatically lose REIT status. 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 it is to be taxed, including in relation to the date on which the REIT Group is treated as exiting the REIT Regime.
- 6.5 Shareholders should note that it is possible that the REIT Group could lose its status as a REIT 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, unless the acquirer qualifies as an Institutional Investor and the Company's shares continue to be admitted to trading on a recognised stock exchange and are either listed or traded) or other circumstances outside the REIT Group's control.

## PART X

### UNITED KINGDOM TAXATION OF SHAREHOLDERS AFTER ENTRY INTO THE REIT REGIME

#### 1 Introduction

- 1.1 The statements set out below are intended only as a general guide to certain aspects of current UK tax law and HMRC published practice as at the date of this Prospectus and apply only to certain Shareholders resident for tax purposes in the UK (save where express reference is made to non-UK tax resident persons). The summary does not purport to be a complete analysis or listing of all the potential tax consequences of holding Ordinary Shares. Prospective purchasers of Ordinary Shares are advised to consult their own independent tax advisers concerning the consequences under UK tax law of the acquisition, ownership and disposition of Ordinary Shares.
- 1.2 The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of shares in the Company, in each case after the Company becomes a REIT. The statements are not applicable to all categories of Shareholders, and in particular are not addressed to: (i) Shareholders who do not hold their Ordinary Shares as capital assets or investments or who are not the absolute beneficial owners of those shares or dividends in respect of those shares; (ii) some Shareholders who own (or are deemed to own) 10 per cent. or more of the share capital or of the voting power of the Company or are entitled to 10 per cent. or more of the Company's distributions; (iii) special classes of Shareholders such as dealers in securities, broker-dealers, insurance companies, trustees of certain trusts and investment companies, (iv) Shareholders who hold Ordinary Shares as part of hedging or commercial transactions; (v) Shareholders who hold Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or otherwise); (vi) Shareholders who hold Ordinary Shares acquired by reason of their employment; (vii) Shareholders who hold Ordinary Shares in a personal equity plan or an individual savings account (viii) Shareholders who are subject to UK taxation on a remittance basis; or (ix) Shareholders who are not resident in the UK for tax purposes (save where express reference is made to non-UK tax resident Shareholders).

#### 1 UK Taxation of PIDs

##### 1.1 *UK taxation of Shareholders who are individuals*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are 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). A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate UK property business. Income from any other UK property business (a “**different UK property business**”) carried on by the relevant Shareholder must be accounted for separately. This means that any surplus expenses from a Shareholder's different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder's UK property business. A Shareholder who is subject to income tax at the basic rate will be liable to pay income tax at 20 per cent. on the PID. Higher rate taxpayers will be subject to tax at 40 per cent. and additional rate taxpayers at 45 per cent.. No dividend tax credit will be available in respect of PIDs. However, credit will be available in respect of the basic rate tax withheld by the Company (where required) on the PID.

Please see also section 3 (Withholding tax and PIDs) below.

##### 1.2 *UK taxation of UK tax resident corporate Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to corporation tax as profit of a property business (as defined in Part 4 of CTA 2009) (“**Part 4 property business**”). A PID is, together with any property income distribution from any

other company to which Part 12 of CTA 2010 applies, treated as a separate Part 4 property business. Income from any other Part 4 property business (a “**different Part 4 property business**”) carried on by the relevant Shareholder must be accounted for separately. This means that any surplus expenses from a Shareholder’s different Part 4 property business cannot be offset against a PID as part of a single calculation of the Shareholder’s property business profits.

The rate of UK corporation tax on such profit is currently 19 per cent. (due to reduce to 17 per cent. from 1 April 2020).

Please see also section 2 (Withholding tax and PIDs) below.

### 1.3 ***UK taxation of Shareholders who are not resident for tax purposes in the UK***

Where a Shareholder who is not resident for tax purposes in 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) of CTA 2010, this income is expressly not treated as non-resident landlord income for the purposes of regulations under section 971 of the Income Tax Act 2007.

Prospective non-UK tax resident Shareholders should consult their own professional advisers on the implications in the relevant jurisdictions of any non-UK implications of receiving PIDs.

Please see also section 2 (Withholding tax and PIDs) below.

## **2 Withholding tax and PIDs**

### 2.1 ***General***

Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs (whether paid in cash or in the form of a stock dividend). The Company will provide Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

### 2.2 ***Shareholders solely resident in the UK***

Where tax has been withheld at source, Shareholders who are individuals may, depending on their particular circumstances, be liable to further tax on their PID at their applicable marginal rate, incur no further liability on their PID, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are corporate entities will generally be liable to pay corporation tax on their PID and if (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.

### 2.3 ***Shareholders who are not resident for tax purposes in the UK***

It is not possible for a Shareholder to make a claim under a double taxation convention for a PID to be paid by the Company gross or at a reduced rate. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double taxation convention between the UK and the country in which the Shareholder is resident. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning tax liabilities on PIDs received from the Company.

### 2.4 ***Exceptions to requirement to withhold income tax***

Shareholders should note that in certain circumstances the Company is not required to withhold income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, or a company resident for tax purposes outside the UK carrying on a trade through a permanent establishment in the UK which is required to bring the PID into account in computing its chargeable profits or certain charities. They also include where the Company reasonably believes that the PID is paid to the scheme

administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an individual savings account, the plan manager of a personal equity plan, or the account provider for a child trust fund, in each case, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme, account, plan or fund. In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Registrar). 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.

### **3 UK taxation of Non-PID Dividends**

Non-PID Dividends are treated in exactly 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 (whether in cash or in the form of a stock dividend).

#### **3.1 *UK taxation of Shareholders who are individuals***

Provisions announced in the UK Summer Budget 2015 changed the tax treatment of Non-PID Dividends paid from 6 April 2016 to individual shareholders. Previously a 10 per cent. dividend tax credit was generally available to a shareholder, which the shareholder could set off against his total tax liability. From 6 April 2016, the dividend tax credit has been abolished and individuals are instead given a dividend tax allowance (“**Allowance**”). The Allowance is currently £5,000 per year, and is expected to reduce to £2,000 from 6 April 2018.

Dividend income received in excess of the Allowance will be taxed at 7.5 per cent. (“Dividend Ordinary Rate”) for basic rate tax payers, 32.5 per cent. (“Dividend Upper Rate”) for higher rate tax payers and 38.1 per cent. (“Dividend Additional Rate”) for “additional” rate tax payers. Whilst dividends within the Allowance should be tax free, these dividends will still count towards the thresholds for the purposes of applying the basic rate, higher rate and additional rate tax bands.

#### **3.2 *UK taxation of UK resident corporate Shareholders***

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on Non-PID Dividends paid by the Company, unless the Non-PID Dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular Shareholder, although it is expected that the Non-PID Dividends paid by the Company would normally be exempt. Shareholders within the charge to UK corporation tax will not be able to claim repayment of tax credits attaching to Non-PID Dividends.

#### **3.3 *Taxation of Shareholders who are not resident in the UK for tax purposes***

A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning their tax position on Non-PID Dividends received from the Company.

The Allowance is also available to individual Shareholders who are tax resident outside the UK. In addition, non-UK resident individual Shareholders are treated as having paid tax at the Dividend Ordinary Rate on Non-PID Dividends received. However, this tax that is treated as having been paid is not repayable.

#### **3.4 *UK taxation of chargeable gains in respect of Shares in the Company***

For the purpose of UK tax on chargeable gains, the amount paid by a Shareholder for Ordinary Shares will constitute the base cost of his holding. If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may arise. This will depend on the base cost and

incidental costs of acquisition and disposal, which can be allocated against the proceeds, and also the Shareholder's circumstances and any reliefs to which they are entitled. In the case of corporate Shareholders, indexation allowance will apply to the amount paid for the Ordinary Shares, but not to the extent it creates a loss.

### 3.5 *UK taxation of Shareholders who are UK tax resident individuals*

Subject to the availability of any exemptions, reliefs and/or allowable losses, a gain on disposal of Shares by individuals, trustees and personal representatives will generally be subject to capital gains tax at the rate of up to 20 per cent.

### 3.6 *UK taxation of UK tax resident corporate shareholders*

Subject to the availability of any exemptions, reliefs and/or allowable losses, a gain on disposal of Shares by a Shareholder within the charge to UK corporation tax will generally be subject to corporation tax at the current rate of 19 per cent. (due to reduce to 17 per cent. from 1 April 2020).

### 3.7 *UK taxation of Shareholders who are not resident in the UK for tax purposes*

Shareholders who are not resident in the UK for tax purposes may not, depending on their personal circumstances, be liable to UK taxation on chargeable gains arising from the sale or other disposal of their Shares (unless they carry on a trade, profession or vocation in the UK through a branch or agency with which their Shares are connected or, in the case of a corporate Shareholder, through a permanent establishment in connection with which the Shares are held).

Individual Shareholders who are temporarily not UK resident and who dispose of all or part of their Shares during that period may be liable to UK capital gains tax on chargeable gains realised on their return to the UK, subject to any available exemptions or reliefs.

Shareholders who are resident for tax purposes outside the UK may be subject to foreign taxation on capital gains depending on their circumstances.

## **4 UK stamp duty and UK stamp duty reserve tax ("SDRT")**

4.1 No UK stamp duty or stamp duty reserve tax will generally be payable on the issue, allotment and registration of the Ordinary Shares. UK legislation provides for a 1.5 per cent. stamp duty or SDRT charge where Shares are transferred (in the case of stamp duty) or issued or transferred (in the case of SDRT) (i) to, or to a nominee or agent for, a person whose business is or includes the provision of clearance services; or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depository receipts. However, following litigation, HMRC have confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares or securities into a clearance service or depository receipt arrangement on the basis that the charge is not compatible with EU law. The 1.5 per cent. SDRT or stamp duty charge will continue to apply to transfers of shares or securities into a clearance service or depository receipt arrangement unless they are an integral part of an issue of share capital. Accordingly, it may be appropriate to seek specific professional advice before incurring a 1.5 per cent. stamp duty or SDRT charge.

4.2 Transfers on sale of Ordinary Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer rounded up to the next £5.00. The purchaser is liable for the stamp duty. An exemption from stamp duty will be available on an instrument transferring the Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. An agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes

unconditional), any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

- 4.3 Clearance services may opt, under certain conditions, for the normal rates of stamp duty or SDRT (being 0.5 per cent. of the amount or value of the consideration for the transfer rounded up in the case of stamp duty to the nearest £5.00) to apply to a transfer of shares into, and to transactions within, the service instead of the higher rate of 1.5 per cent. referred to above.
- 4.4 Agreements to transfer Ordinary Shares within the CREST system will generally be liable to SDRT (rather than stamp duty) at the rate of 0.5 per cent, of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in money or money's worth.
- 4.5 No stamp duty or SDRT will arise on transfers or agreements to transfer Ordinary Shares traded on AIM by virtue of the exemption from stamp duty and SDRT for transfers of shares traded on AIM made on or after 28 April 2014, provided the Company self-certifies to CREST that the Ordinary Shares are admitted to trading on AIM and are not otherwise listed on a recognised stock exchange.

**Prospective purchasers of Ordinary Shares should consult their own tax advisers with respect to the tax consequences to them of acquiring, holding and disposing of Ordinary Shares.**

## PART XI

### ADDITIONAL INFORMATION

#### 1 Responsibility statement

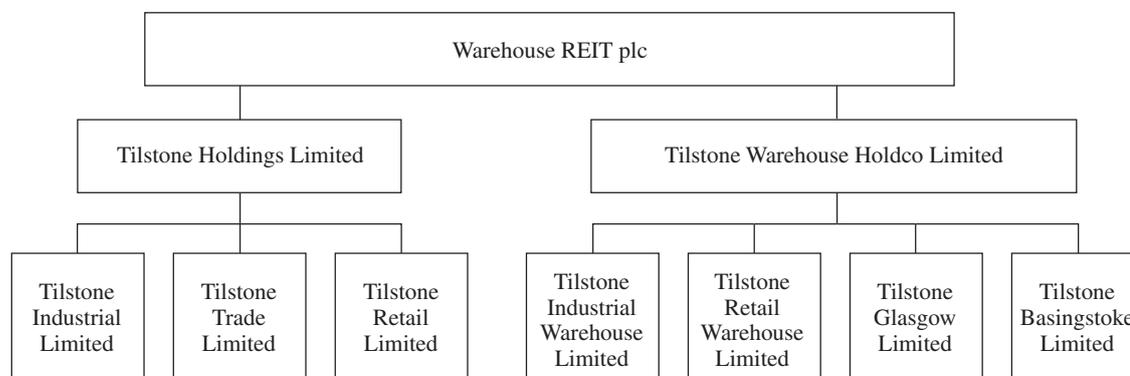
The Directors, whose names appear on page 32 of this Prospectus, TPL and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors, TPL and the Company (who have taken all reasonable care to ensure that such is the case), 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.

#### 2 History and development

- 2.1 The Company was incorporated and registered in England and Wales on 24 July 2017 as a public company limited by shares under the Act with the name Warehouse REIT plc and with the registered number 10880317 and is a closed-ended investment company. The liability of the members of the Company is limited. The Company has sent the relevant form to Companies House and expects to be issued with a certificate to commence trading shortly.
- 2.2 The Company's registered office and principal place of business is at Gorse Stacks House, George Street, Lower Ground Floor, Chester. England, CH1 3EQ and the telephone number is 01244 470090.
- 2.3 The principal legislation under which the Company operates, and under which the Ordinary Shares are created, is the Act and regulations made under the Act.
- 2.4 The principal activities of the Company are as described in Part I: "Information on the Group" of this Prospectus.
- 2.5 There are no exceptional factors which have influenced the Company's activities.
- 2.6 With effect from Admission, the Company will be the holding company of the Group. Details of Tilstone Holdings, Tilstone Warehouse and the Tilstone Subsidiaries are set out in paragraph 3 below.

#### 3 Organisational structure

- 3.1 The Tilstone Property Portfolio is currently held by the Tilstone Subsidiaries. On Admission the Company will acquire Tilstone Holdings and Tilstone Warehouse from the Tilstone Investors pursuant to the terms of the Acquisition Agreements in return for the issue to the Tilstone Investors of the Consideration Shares and the payment of the Cash Consideration.
- 3.2 Immediately following Admission, the structure of the Group will be:



The principal subsidiary undertakings of the Company on Admission will be:

<i>Principal subsidiary undertakings</i>	<i>Country of incorporation and registration</i>	<i>Proportion of equity share capital held</i>	<i>Proportion of voting power held</i>
Tilstone Holdings Limited	England	100%	100%
Tilstone Industrial Limited	England	100%	100%
Tilstone Trade Limited	England	100%	100%
Tilstone Retail Limited	England	100%	100%
Tilstone Warehouse Holdco Limited	England	100%	100%
Tilstone Glasgow Limited	England	100%	100%
Tilstone Basingstoke Limited	England	100%	100%
Tilstone Warehouse Retail Limited	England	100%	100%
Tilstone Industrial Warehouse Limited	England	100%	100%

3.3 The registered office of all the above companies is Gorse Stacks House, George Street, Chester, England, CH1 3EQ.

#### **4 Share capital**

4.1 The Company was incorporated with an issued share capital of £50,000.01 consisting of 1 Ordinary Share of £0.01 and 50,000 Redeemable Ordinary Shares of £1.00 each. All of these shares were issued to TPL at par.

4.2 The Redeemable Ordinary Shares shall be redeemed in full by the Company on Admission.

4.3 The issued share capital of the Company as at the date of this Prospectus is:

<i>Class</i>	<i>Issued Number</i>	<i>Aggregate Nominal Value</i>
Ordinary	1	£0.01
Redeemable Ordinary	50,000	£50,000

4.4 The issued and fully paid share capital of the Company immediately following completion of the Acquisition and Admission (assuming the Placing and Offer for Subscription (including the Intermediaries Offer) are subscribed in full and the Redeemable Ordinary Shares have been redeemed) will be:

<i>Class</i>	<i>Issued and Paid Up Number</i>	<i>Aggregate Nominal Value</i>
Ordinary	166,000,000	1,660,000

4.5 Pursuant to resolutions passed at a general meeting of the Company held on 17 August 2017:

- (a) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £2,160,000 pursuant to: (i) the issue by the Company of up to 200 million Ordinary Shares in connection with the Issue; and (ii) the issue by the Company of up to 16 million Ordinary Shares in connection with the acquisition by the Company, conditionally upon Admission, of the Tilstone Property Portfolio, such authority to expire at the end of the first AGM of the Company or, if earlier, 17 November 2018, save that under this authority the Company may, at any time prior to such expiry, 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 the authority conferred had not expired;
- (b) conditional upon Admission and in addition to the authority set out at paragraph 4.5(a) above and in substitution for all subsisting authorities to the extent unused, the Directors were generally and unconditionally authorised, in accordance with section 551 of the Act, to allot

shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

- (i) up to the lower of: (A) 66 per cent. of the Ordinary Share capital of the Company immediately following Admission; and (ii) shares with an aggregate nominal value of £1,425,600 (such amount to be reduced by the amount of any shares allotted pursuant to the authority set out in paragraph 4.5(b)(ii) below) in connection with an offer by way of a rights issue to holders of shares in proportion (as nearly as may be practicable) to their respective holdings but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- (ii) in any other case, up to the lower of: (i) 33 per cent. of the Ordinary Share capital of the Company immediately following Admission; and (ii) shares with an aggregate nominal value of £712,800 (such amount to be reduced by the nominal amount of any shares allotted pursuant to the authority set out in paragraph 4.5(b)(i) above, in excess of the lower of: (i) 33 per cent. of the Ordinary Share capital of the Company immediately following Admission; and (ii) shares with an aggregate nominal value of £712,800),

provided that, unless renewed, varied or revoked by the Company, the authority conferred by this paragraph 4.5(b) expires at the end of the first AGM of the Company or, if earlier, 17 November 2018, save that the Company may, at any time prior to such expiry, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired.

- (c) the Directors were empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority set out at paragraph 4.5(a) above as if section 561 of the Act did not apply to any such allotment. This power:
  - (i) is limited to the allotment of equity securities in connection with the Issue and the Acquisition and the Directors may impose such exclusions or other arrangements as they consider necessary or expedient in connection with fractional entitlements or any legal or practical problems arising under the laws or regulations of, or the requirements of any regulatory body or stock exchange in, any territory or the requirements of any regulatory body or stock exchange or any other matter; and
  - (ii) expires at the end of the first AGM of the Company or, if earlier, 17 November 2018, save that the Company may, at any time prior to such expiry, 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.
- (d) in addition to the authority set out at paragraph 4.5(c) above and in substitution for all subsisting authorities to the extent unused, the Directors were empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted at paragraph 4.5(b) above as if section 561 of the Act did not apply to any such allotment. This power is limited to:
  - (i) the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority set out in paragraph 4.5(b)(i) above, by way of a rights issue only):
    - (A) to the holders of shares in proportion (as nearly as may be practicable) to their respective holdings); and
    - (B) to the holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

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

- (ii) the allotment of equity securities or treasury shares (otherwise than pursuant to power set out in paragraph 4.5(d)(i)) to any person up to an aggregate nominal amount of the lower of: (i) 5 per cent. of the Ordinary Share capital of the Company immediately following Admission; and (ii) shares with an aggregate nominal value of £108,000.

The authority set out in paragraph 4.5(d) expires at the end of the first AGM of the Company or, if earlier, 17 November 2018, save that the Company may, at any time prior to such expiry, make an offer or enter into an agreement which would or might require equity securities to be allotted (or treasury shares to be sold) as if such authority had not expired.

- (e) in addition to the authorities set out at paragraphs 4.5(c) and 4.5(d) above, the Directors were empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority set out at paragraph 4.5(b) above as if section 561 of the Act did not apply to any such allotment, Such authority:
  - (i) is limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of the lower of: (i) 5 per cent. of the Ordinary Share capital of the Company immediately following Admission; and (ii) shares with an aggregate nominal value of £108,000; and
  - (ii) shall be used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of general meeting pursuant to which the authorities set out in this paragraph 4.5 were proposed.

The authority set out in paragraph 4.5(e) expires at the end of the first AGM of the Company or, if earlier, 17 November 2018, save that the Company may, at any time prior to such expiry, make an offer or enter into an agreement which would or might require equity securities to be allotted (or treasury shares to be sold) as if such authority had not expired.

- (f) conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company following completion of the Issue and the Acquisition (less any issue expenses set off against the share premium account) be cancelled and the amount of the share premium account so cancelled be credited as a distributable reserve to be established in the Company's books of account which shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Act) are able to be applied.
- (g) conditional upon Admission, the Company was generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, on such terms and in such manner as the Directors shall from time to time determine, provided that:
  - (i) the maximum aggregate number of Ordinary Shares authorised to be purchased is 21,600,000 Ordinary Shares (or such lesser amount, if applicable, as is equal to 10 per cent. of the Ordinary Share capital of the Company immediately following Admission);
  - (ii) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is £0.01 (being the nominal value of an Ordinary Share);

- (iii) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is the higher of:
    - (A) an amount equal to 105 per cent. of the average market value of an Ordinary Share for the five business days immediately preceding the day on which such share is contracted to be purchased; and
    - (B) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for: (i) the last independent trade of; and (ii) the highest current independent bid for, any number of Ordinary Shares on the trading venue where the purchase is carried out;
  - (iv) the authority set out in this paragraph 4.5(g) expires at the close of the first AGM of the Company or, if earlier, 17 November 2018; and
  - (v) the Company may at any time prior to such expiry enter into a contract or contracts under which a purchase of Ordinary Shares under such authority will or may be completed or executed wholly or partly after the expiration of such authority and the Company may purchase Ordinary Shares in pursuance of any such contract or contracts as if the authority conferred had not expired.
- (h) the Articles were adopted conditionally upon Admission.
- 4.6 The articles confer no rights of pre-emption on the shareholders of the Company. The provisions of section 561 of the Act (which confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 1166) will apply to the extent not dis-applied by a special resolution of the Company.
- The statutory rights of pre-emption will be disapplied in connection with the Placing and Offer for Subscription (including an Intermediaries Offer) and thereafter as set out in paragraph 4.5 above to permit the Directors to allot Ordinary Shares for cash following the Placing and Offer for Subscription (including an Intermediaries Offer) having an aggregate nominal value of up to 5 per cent. of the nominal value of the Company's issued share capital immediately following Admission becoming effective.
- 4.7 Save as disclosed above and in paragraphs 10 and 11 below ("Major Shareholders" and "Interests of the Directors and the senior management of TPL"):
- (a) no share or loan capital of the Company has since the date of incorporation of the Company (other than pursuant to the Issue or the Acquisition) been issued or been agreed to be issued fully or partly paid, either for cash or for a consideration other than cash, and no such issue is now proposed;
  - (b) no commissions, discounts, brokerages or other special terms have been granted by the Company since the date of incorporation of the Company (other than in connection with the Issue or the Acquisition) in connection with the issue or sale of any share or loan capital of the Company; and
  - (c) no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- 4.8 The par (or nominal value) of each Ordinary Share is £0.01. The Ordinary Shares are in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of Ordinary Shares in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where Ordinary Shares are held in certificated form, share certificates will be sent to the registered members by first class post.
- 4.9 The Ordinary Shares will be issued on Admission which is expected to occur on 20 September 2017.

- 4.10 There are no restrictions on the transferability of the Ordinary Shares subject to (a) compliance with the provisions of the Articles relating to the transfer of shares as described in paragraphs 6.2 (d), (e) and (f) of this Part XI, and (b) any restriction on transfer imposed by a direction notice as summarised in paragraph 6.2 (b) of this Part XI.
- 4.11 On Admission, all issued Ordinary Shares will rank equally in all respects.
- 4.12 The Company has not issued any partly paid shares nor any convertible securities, exchangeable securities or securities with warrants. The Company does not hold any treasury shares.
- 4.13 There are no shares in the share capital of the Company that do not represent capital.
- 4.14 No shares in the capital of the Company are held by or on behalf of the Company or by any subsidiary.

## **5 Articles of Association**

- 5.1 The Company's objects are unrestricted.
- 5.2 The following is a summary of the rights under the Articles which have been adopted, conditional upon Admission, as set out in paragraph 4.5(h) above (and, in particular, relating to voting, transfers, entitlement to share in the profits and, in the event of liquidation, in any surplus) which attach to the Ordinary Shares with which the new Ordinary Shares will rank equally in all respects when unconditionally issued and fully paid.

(a) ***Voting rights***

Subject to the provisions of the Companies Acts and the provisions summarised in paragraph (b) below, Shareholders shall have the right to receive notice of and to attend and to vote at all general meetings of the Company. A Shareholder may appoint one or more proxies to exercise all or any of his rights to attend and to speak at the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Save as otherwise provided in the Articles, on a vote on a show of hands each holder of Ordinary Shares present in person shall have one vote and every proxy present who has been duly appointed by a member shall have one vote (save that if the same proxy is appointed by more than one member, and is instructed by some members to vote one way and some to vote the other way, the proxy will have one vote for and one vote against the resolution). On a vote on a poll every member present in person or by proxy shall have one vote for each share held by him.

(b) ***Restrictions on Ordinary Shares***

If a Shareholder or any person appearing to be interested in any Ordinary Shares has been served with a notice under section 793 of the Act and is in default in supplying to the Company the information required within a prescribed period after the service of such notice, the Directors may serve on such Shareholder, or on any such person, a notice (a "direction notice") in respect of the Ordinary Shares in relation to which the default occurred ("default shares") directing that in relation to such Ordinary Shares the Shareholder shall not be entitled to be present or to vote at any general meeting or class meeting of the Company. Where the default Ordinary Shares represent at least 0.25 per cent. of the class of shares the direction notice may in addition direct, among other things, that any dividend or other money which would otherwise be payable on such Ordinary Shares shall (in whole or in part) be retained by the Company and that no transfer of any of the Ordinary Shares held by the Shareholders shall be registered. The direction notice will cease to have effect when the Shareholder complies with the direction notice or sells the whole beneficial ownership of the relevant Ordinary Shares to an unconnected third party acting in good faith by way of an arm's length transfer. The prescribed period referred to above means 28 days (if the member has a shareholding of less than 0.25 per cent) or 14 days (if the member has a shareholding of 0.25 per cent. or more) from the date of service of the notice under section 793 of the Companies Act 2006.

(c) ***Variation of class rights and alteration of capital***

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class of shares may, subject to the Companies Acts, be modified, abrogated or varied either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class (excluding shares held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings apply but so that the necessary quorum at such a meeting other than an adjourned meeting shall be two persons present in person or by proxy holding at least one-third in nominal value of the issued shares of the relevant class (excluding shares held as treasury shares) and at an adjourned meeting one person present in person or by proxy shall be a quorum. Any holder of shares of the relevant class present in person or by proxy may demand a poll upon which every holder of shares of that class shall be entitled to one vote for every such share held by him. The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of such shares or by the terms upon which such shares are for the time being held, be deemed not to be modified, abrogated or varied by the creation or issue of further shares ranking equally with such shares or the purchase or redemption by the Company of any of its own shares in accordance with the Companies Acts and the Articles.

Subject to the provisions of the Companies Acts, any Ordinary Shares may be issued on terms that they may be redeemed or are liable to be redeemed at the option of the Company or the Shareholders on the terms and in the manner provided for by the Articles.

(d) ***Transfer of Ordinary Shares***

Subject to the following paragraph, the instrument of transfer of an Ordinary Share shall be signed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the Ordinary Shares until the name of the transferee is entered in the register. All transfers shall be effected by instrument in writing, in the usual or common form or any other form which the Directors may approve. The Directors may refuse to register any transfer of Ordinary Shares if in their opinion (and with the concurrence of the London Stock Exchange) exceptional circumstances so warrant. The Directors may decline to recognise any instrument of transfer unless it is left at the registered office of the Company, accompanied by the relevant certificate and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and unless the instrument of transfer is in respect of only one class of shares and in the case of a transfer to joint holders, the transfer is not in favour of more than four persons jointly.

Notwithstanding any other provision of the Articles to the contrary, any Ordinary Shares may be held in uncertificated form and title to Ordinary Shares may be transferred by means of a relevant system such as CREST.

(e) ***US considerations***

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA or the Internal Revenue Code; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the Securities Act and/or the Exchange Act and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the Exchange Act; (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the Internal Revenue Code; or (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with

any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation), then the Board may declare the Shareholder in question a “Non-Qualified Holder” and the Board may require that any shares held by such Shareholder (“Prohibited Shares”) shall (unless the Shareholder concerned satisfies the Board that he is not a Non-Qualified Holder) be transferred to another person who is not a Non-Qualified Holder, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

(f) ***Excessive Shareholders***

The Articles contain provisions relating to Excessive Shareholders in line with HMRC guidance and recommendations. The Company will following Admission be a company to which Part 12 of CTA 2010 applies (a REIT). Under the REIT Regime a tax charge may be levied on the Company if it makes a distribution (whether in cash or by way of stock dividend) to a company (or certain bodies corporate) 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:

- (i) provide the Directors with powers to identify Excessive 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 an Excessive Shareholder);
- (ii) provide the Directors with powers to prohibit the payment of dividends on Ordinary Shares that form part of an Excessive Shareholding, unless certain conditions are met;
- (iii) allow dividends to be paid on Ordinary Shares that form part of an Excessive Shareholding where the Shareholder has disposed of its rights to dividends on its Ordinary Shares;
- (iv) seek to ensure that if a dividend is paid on Ordinary Shares that form part of an Excessive Shareholding and arrangements of the kind referred to in (iii) above are not met, the Excessive Shareholder concerned does not become beneficially entitled to that dividend; and
- (v) provide the Directors with powers if certain conditions are met, to require (A) an Excessive Shareholder; or (B) a Shareholder who has not complied with a notice served in accordance with the power referred to in (i); or (C) a Shareholder who has provided materially inaccurate or misleading information in relation to the Excessive Shareholder provisions of the Articles, 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 an Excessive Shareholder.

Ordinary Shares held as nominee are disregarded for these purposes.

(g) ***Dividends and distributions on liquidation to shareholders***

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. Subject to any priority, preference or special rights, all dividends shall be declared and paid *pro rata* to the nominal amounts of the shares in respect of which the dividend is paid.

The Directors may pay such interim dividends as they think fit. No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Companies Acts.

Unless otherwise provided by the rights attached to any Ordinary Share, no dividends in respect of an Ordinary Share shall bear interest.

The Directors may, with the sanction of an ordinary resolution of the Company in general meeting, offer the holders of Ordinary Shares the right to elect to receive new Ordinary Shares credited as fully paid instead of cash in respect of the whole or any part of the dividend.

Any dividend unclaimed for a period of 12 years after it became due for payment shall be forfeited and cease to remain owing by the Company and shall belong to the Company absolutely.

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's Ordinary Shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

(h) ***Appointment and removal of Directors***

The number of Directors of the Company must not be fewer than two and should be no more than ten. The Company may by ordinary resolution elect any person to be a Director. The Board also has powers to appoint a person as a Director but such person will only hold office until the next annual general meeting and will then be eligible for re election. A director is not required to hold shares in the Company but is entitled to attend and speak at any general meeting of the Company or any meeting of the holders of any class of shares in the Company.

The office of a Director will be vacated if the Director resigns, becomes bankrupt or is the subject of other insolvency related proceedings, in certain circumstances where the Director is suffering from mental disorder, if the Director is absent from meetings of the Board for six months without leave and the Board resolves that the Director's office should be vacated, if requested in writing by all the other Directors to resign, if the Director is an executive Director and ceases to hold that office and the majority of the other Directors resolve that such office be vacated, or if the Director is removed or becomes prohibited from being a Director under any provision of applicable statutes.

At every annual general meeting, one-third of the Directors, including any non-independent Director, shall retire from office and be eligible for re election. No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless not less than seven nor more than 42 days before the date appointed for the meeting there has been notice in writing given to the Company by a member duly qualified to attend and vote at the meeting of his intention to propose the person for appointment and a written notice signed by the person to be proposed of his willingness to be elected. The Company has power by ordinary resolution (of which special notice has been given) to remove any Director from office before the expiration of his period of office and may by ordinary resolution appoint another person in his place.

(i) ***Meetings of Directors***

At meetings of the Board questions are determined by a majority of votes and in the case of an equality of votes the Chairman of the Board has a second or casting vote. The quorum at Directors' meetings may be fixed by the Directors but otherwise is two. The Board may delegate any of its powers to committees provided that more than one half of the members of each such committee consists of Directors. Decisions of the Directors may also be taken by written resolution approved by all Directors eligible to vote on the matter, provided they would have formed a quorum at a meeting of the Board.

(j) ***Directors' interests***

Subject to relevant statutory provisions, a Director: (i) may be a party to, or otherwise interested in, any contract, transaction, arrangement or proposal with the Company or in which

the Company is interested; or (ii) may be a director or other officer of, or employed by, or a party to any contract, transaction, arrangement or proposal or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and (iii) may act in a professional capacity (other than that of an auditor) for the Company or any other body corporate promoted by the Company or in which the Company is otherwise interested.

If a situation arises in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (other than a conflict of interest arising in relation to a transaction or arrangement with the Company or a situation which cannot reasonably be regarded as likely to give rise to a conflict of interest), the Directors who are not conflicted may resolve to authorise the conflict and the continuing performance by the Director of his duties on such terms as they may decide. The terms on which the Directors may authorise a Director's conflict of interest may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):

- (i) subject to the Articles, whether the interested Director may vote (or be counted in the quorum at a meeting) in respect of any resolution relating to the subject matter of the conflict;
- (ii) the exclusion of the interested Director from all information and discussion by the Directors or within the Company in respect of the subject matter of the conflict; and
- (iii) (without prejudice to any other obligations of confidentiality) the application to the interested Director of a strict duty of confidentiality to the Company in respect of any confidential information of the Company in relation to the subject matter of the conflict.

The Directors' authorisation of the conflict may provide that where the interested Director obtains (other than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company.

A Director shall not, by reason of his holding an office as a Director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from any interest or transaction that has been authorised by the other Directors in accordance with the Articles or that is otherwise permitted by the Articles. No contract, transaction or arrangement shall be liable to be avoided on the grounds of any Director having any such authorised or permitted interest.

Except where otherwise provided by the Articles, a Director shall not vote on, or be counted in the quorum in respect of, any contract or arrangement or any other proposal in which he has any direct or indirect interest other than an interest that cannot reasonably be regarded as likely to give rise to a conflict of interest or an interest that arises by virtue of his interests in shares or debentures or other securities or rights or otherwise in or through the Company. However, this prohibition does not apply (in the absence of any other prohibited interest) where the resolution relates:

- (i) to the giving to him of any guarantee, security or indemnity in respect of: (A) money lent or obligations undertaken by him for the benefit of the Company or any of its subsidiary undertakings; or (B) a debt of the Company or any subsidiary undertaking in respect of which the Director has assumed responsibility in whole or in part under a guarantee, indemnity or by giving security;
- (ii) to any proposal whereby the Company or any of its subsidiary undertakings is offering securities under an offer in which he is or may be entitled to participate as a holder of securities or in the underwriting or sub underwriting of such offer in which he is to participate;
- (iii) any proposal relating to any other body corporate in which he is not beneficially interested, directly or indirectly, in 1 per cent. or more of the issued shares of any class

of the equity share capital of such body corporate or of the voting rights available to members of the relevant body corporate;

- (iv) to any proposal relating to an arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which does not award any Director any privilege or benefit not generally awarded to the employees to whom it relates; and
- (v) to any proposal concerning (A) the purchase or maintenance of any insurance policy for the benefit of Directors; or (B) indemnities in favour of the Directors; or (C) the funding of expenditure by one or more Directors on defending proceedings against such Director or Directors; or (D) doing anything to enable such Director or Directors to avoid incurring such expenditure.

Subject to the relevant statutory provisions the Company may, by ordinary resolution, suspend or relax the above provisions either generally or in respect of a particular matter or ratify any transaction, arrangement or proposal not duly authorised by reason of a contravention of such provisions.

(k) ***Directors' fees and expenses***

The Directors (other than alternate Directors) shall be paid out of the funds of the Company for their services as Directors such aggregate sums (not exceeding £300,000 per year, or such larger amount as the Company may by ordinary resolution approve) as the Board may determine. Any such sums shall be distinct from any salary, remuneration or other amounts payable to a Director under other provisions of the Articles.

The Directors are entitled to be paid all reasonable travelling, hotel and other expenses properly incurred in attending meetings of the Board, committees of the Board, general meetings or otherwise in connection with the business of the Company.

(l) ***Share qualification***

A Director is not required to hold any shares in the Company.

(m) ***Governing law***

The Articles and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with them or their subject matter or formation shall be governed by and construed in accordance with the law of England and Wales. The Courts of England and Wales recognise and enforce judgments of another jurisdiction in accordance with those legal instruments providing for such recognition.

## **6 Variation of shareholding rights**

The rights attaching to Ordinary Shares are set out in the Articles and summarised above. For these rights to be varied or changed would require the passing of a special resolution at a general meeting of the Company. In the absence of appropriate consent to short notice, this would require not less than 14 days' written notice to be given to each Shareholder. Every Shareholder has the right to attend the general meeting in person or by proxy and vote on the resolution to be proposed. A special resolution of the Company requires a majority of not less than three-fourths of the Ordinary Shares voted in person or by proxy at such general meeting.

## **7 Shareholder meetings**

The Company must in each year hold an AGM within six months of its financial year end. An AGM must be convened, unless all Shareholders entitled to attend and vote agree to short notice, on giving not less than 21 clear days' notice in writing to all Shareholders of the Company.

Other meetings can be convened by the Company from time to time, referred to as general meetings. Generally, not less than 14 clear days' written notice to convene a general meeting is required.

General meetings, other than AGMs, can be convened on shorter notice with the agreement of Shareholders being a majority in number and holding not less than 95 per cent. in nominal value of the Ordinary Shares giving a right to attend and vote at the meeting.

Shareholders need not attend a meeting of the Company in person but can do so by way of validly appointed proxy. Proxies are appointed in accordance with the Articles. In essence, to be validly appointed, details of the proxy must be lodged at the Company's registered office no later than 48 hours before the commencement of the relevant meeting. Failure to lodge details of the appointed proxy in accordance with the Articles could result in the vote of the proxy being excluded on any resolution and possibly in the exclusion of the proxy from the meeting unless they were also a Shareholder.

If a Shareholder is a corporation, whether or not a company, it can pass a resolution of its directors or other governing body to authorise one or more persons as it thinks fit to act as its representative(s) and exercise its powers at any meeting of the Company or class meeting of Shareholders. Each authorised person may vote on behalf of the corporate member provided he or she exercises the voting rights attached to different shares.

## 8 Change of control

There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

## 9 Disclosure of interests in Ordinary Shares

DTR 5 of the Disclosure Guidance and Transparency Rules contains provisions regarding the disclosure of voting rights in respect of the Ordinary Shares, which apply with effect from Admission. Subject to limited exceptions, where a person holds (or is deemed to hold) voting rights in respect of the Ordinary Shares (whether directly or indirectly or through direct or indirect holdings of financial instruments or through a combination of such holdings) equal to or more than 3 per cent. of the total voting rights in issue, then that person has an obligation to notify the Company with the details of such voting rights within two trading days. Where the percentage or nature of voting rights held by such a person changes by 1 per cent., then further disclosure obligations arise.

## 10 Major Shareholders

10.1 As at the date of this Prospectus, except as disclosed in the table below in connection with the position prior to Admission and in the table in paragraph 11.1 with respect to the position immediately following Admission, in so far as is known to the Company, no person is or will, immediately following Admission, be directly or indirectly interested in 3 per cent. or more of the Company's capital.

<i>Beneficial Owner</i>	<i>Shares Owned Before the Issue</i>			<i>Shares Owned After the Issue</i>	
	<i>Number of Ordinary Shares<sup>1</sup></i>	<i>Number of Redeemable Ordinary Shares<sup>2</sup></i>	<i>% of share capital</i>	<i>Number of Ordinary Shares</i>	<i>% of share capital</i>
TPL	1	50,000	100	nil	nil

### Notes:

- (1) TPL will transfer its one Ordinary Share to Peel Hunt on Admission.
- (2) The Redeemable Ordinary Shares will be redeemed on Admission.

10.2 All Shareholders will have the same voting rights.

10.3 As at 22 August 2017 (being the last practicable date prior to the publication of this Prospectus) and save as set out in this paragraph 10, the Company is not aware of any person who will or could, directly or indirectly, jointly or severally, exercise or, immediately following the Issue, could exercise control over the Company and is not aware of any arrangement the operation of which may at a subsequent date result in a change of control of the Company.

## 11 Interests of the Directors and the senior management of TPL

- 11.1 The interests (all of which are beneficial unless otherwise stated) of the Directors and the senior management of TPL, their immediate family members and persons connected with them in the share capital of the Company, together with any options in respect of such capital, the existence of which is known to or could with reasonable diligence be ascertained by those Directors or members of the senior management team, whether or not held through another party, as at the date of this Prospectus, and as they are expected to be immediately following Admission, are as follows:

	<i>Immediately prior to Admission</i>		<i>Immediately following Admission<sup>(1)</sup></i>		<i>Percentage of Ordinary Share capital</i>
	<i>Number of Ordinary Shares</i>	<i>Number of Consideration Shares</i>	<i>Number of Issue Shares</i>	<i>Total number of Ordinary Shares issued</i>	
Neil Kirton <sup>(2)</sup>	nil	nil	25,000	25,000	0.015
Aimee Pitman <sup>(2)</sup>	nil	nil	75,000	75,000	0.045
Martin Meech <sup>(2)</sup>	nil	nil	100,000	100,000	0.06
Stephen Barrow <sup>(2)</sup>	nil	5,430,562	1,000,000	6,430,562	3.87
Simon Hope <sup>(2)</sup>	nil	6,545,966	300,000	6,845,966	4.12
Andrew Bird	nil	3,643,032	nil	3,643,032	2.19
Paul Makin	nil	380,439	300,000	680,439	0.41

**Notes:**

(1) Assuming that the Issue is fully subscribed.

(2) denotes Directors.

Save as disclosed in this paragraph 11, none of the Directors nor any person connected with a Director within the meaning of section 252 of the Act has any interest whether beneficial or non-beneficial in any share capital of the Company.

- 11.2 There are no persons to whom any capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.
- 11.3 Save for the interests of Stephen Barrow and Simon Hope noted in paragraph 11.4 below, no Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were effected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.
- 11.4 The Tilstone Investors are providing the Company with warranty protection in the Acquisition Agreements in respect of the Tilstone Property Portfolio. This poses a potential conflict of interest in that various directors of TPL and the Company are Tilstone Investors. However, pursuant to the Management Engagement Committee terms of reference, any claims to be brought against the Tilstone Investors under the Acquisition Agreements will be dealt with by the Management Engagement Committee.
- 11.5 There are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors.
- 11.6 So far as is known to the Company, other than as set out above, no Director intends to acquire Ordinary Shares in the Issue and, so far as is known to the Company, no person intends to acquire more than three per cent. of the Issue Shares. Details of any persons who are acquiring more than three per cent. of the Issue Shares will be announced through the Regulatory Information Service.

11.7 Other than in relation to the Company, the Directors currently hold, and have during the five years preceding the date of this document held, the following directorships or partnerships.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Neil Kirton (Chairman)	Ingenta PLC (company no. 00837205)	
Stephen Barrow (non-independent director)	Tilstone Warehouse Holdco Limited (company no. 10407988) Tilstone Glasgow Limited (company no. 10408150) Tilstone Retail Warehouse Limited (company no. 10416523) Tilstone Holdings Limited (company no. 10054491) Tilstone Trade Limited (company no. 10051989) Tilstone Halifax LLP (company no. OC404560) Tilstone Investment Management LLP (company no. OC394496) Tilstone Investments LLP (company no. OC384810) Tilstone Industrial Limited (company no. 08588685) Bazjen Limited (company no. 08293781) Somersham Coventry LLP (company no. OC358754) Absolute Return Partners LLP (company no. OC303480) Somersham Nantwich LLP (company no. OC356570) Tilstone Industrial Warehouse Limited (company no. 10416564)	
Simon Hope (non-independent director)	Grenville Bloodstock Limited (company no. 09191977) Greenstone Oxford Limited (company no. 10513380) Tilstone Basingstoke Limited (company no. 10513414) Tilstone Retail Warehouse Limited (company no. 10416523) Tilstone Industrial Warehouse Limited (company no. 10416564) Tilstone Warehouse Holdco Limited (company no. 10407988) Tilstone Glasgow Limited (company no. 10407988) Tilstone Glasgow Limited (company no. 10408150) Perceval Bloodstock Limited (company no. 09191634) Tilstone Retail Limited (company no. 09942150)	Basingstoke Warehouse Limited (company no. 10513363) – dissolved company; appointed 2016 Savills (Overseas Holdings) Limited (company no. 02316653) – resigned March 2017 Cordea Savilla Investments Limited (company no. 04805099) – resigned February 2017 Grosvenor Hill Ventures Limited (company no. 02899912) – resigned June 2016 Savills Finance Holdings PLC (company no. 02794955) – resigned March 2015 Savills Commercial Limited (company no. 02605125) – resigned December 2012

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Simon Hope (non-independent director) (continued)	Tilstone Holdings Limited (company no. 10054491) Tilstone Trade Limited (company no. 10051989) Somersham Nantwich LLP (company no. OC356570) Tilstone Investment Management LLP (company no. OC394496) Savills (UK) Limited (company no. 02605138) Somersham Coventry LLP (company no. OC358754) Aston Mullins Bloodstock Limited (company no. 07868453) Deva White Limited (company no. 07790645) Savills Capital Advisors Limited (company no. 02828896) Savills Asset Warehouse 1 Limited (company no. 05642401) Savills Asset Warehouse 2 Limited (company no. 04838434) Yew Tree Property Management Limited (company no. 04601286) Grosvenor Hill (Sprucefields) Limited (company no. 04302700) S F Securities Limited (company no. 03069004) Maxonium Estates Limited (company no. 02893551)	
Martin Meech	TP General Partner (Scotland) Limited (company no. SC377826) Travis Perkins (PSL2015) Limited (company no. 09746264) TP Directors LTD (company no. 03480295) The BSS Group Limited (company no. 00060987) Wickes Properties Limited (company no. 01406897) Tile Giant Limited (company no. 04308218) City Plumbing Supplies Holdings Limited (company no. 02489546) Benchmark Kitchen and Joinery Limited (company no. 02780063) Wickes Building Supplies Limited (company no. 01840419) Wickes Limited (company no. 02070200)	PTS Group Limited (company no. 02219435) – resigned 11 August 2017 Welshcroft Properties Limited (company no. 03562163) – resigned May 2015 Birchwood Products Limited (company no. 01132499) – resigned September 2014 Tile Giant Holdings Limited (company no. 06182679) – resigned February 2014 Quintain Services Limited (company no. 02950066) – resigned July 2013 Quintain Limited (company no. 02694983) – resigned July 2013

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Martin Meech (continued)	Keyline Builders Merchants Limited (company no. SC042425) CFF Limited (company no. 01632482) Travis Perkins Trading Company Limited (company no. 00733503) Travis Perkins (Properties) Limited (company no. 00468024)	
Aimee Pitman	Pitman and Company Consulting Ltd. (company no. 05711157) The Canada Memorial Foundation (company no. 04733577)	

11.8 No Director has:

- (a) any unspent convictions in relation to indictable offences;
- (b) had any bankruptcy order made against him or entered into any individual voluntary arrangements;
- (c) been a director of a company which has been placed into receivership, compulsory liquidation or creditors' voluntary liquidation, or administration, or which has entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, nor have they been a director of any company within the 12 months preceding such events;
- (d) been a partner of any partnership which has been put into compulsory liquidation or administration or entered into partnership voluntary arrangements, nor have they been a partner within the 12 months preceding such events;
- (e) had a receivership of any asset of such director or of a partnership where he was a partner at the time of or within the 12 months preceding such events; and
- (f) been publicly criticised by statutory or regulatory authorities (including recognised professional bodies), nor has such director ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

11.9 The business address of each of the Directors is Gorse Stacks House, George Street, Chester, CH1 3EQ.

## **12 Directors' letters of appointment**

Each of the Directors has entered into a letter of appointment with the Company. Each letter of appointment provides that each Director's appointment is subject to the articles of association of the Company. Each appointment may be terminated on six months' written notice by either the Director or the Company. The fees payable to each Director are set out below. No Director has a service contract with the Company and neither are such contracts proposed.

<i>Director</i>	<i>Fees (per annum)</i>
Neil Kirton (Chairman)	£30,000
Stephen Barrow	No fee payable
Simon Hope	No fee payable
Martin Meech	£25,000
Aimee Pitman	£25,000

### **13 Material contracts**

The following contracts, not being contracts entered into in the ordinary course of business, are contracts which are material and have either been entered into by the Company or another member of the Group within the two years immediately preceding the date of this Prospectus or (regardless of when entered into) contain obligations or entitlements which are, or may be, material to the Company or a member of the Group as at the date of this Prospectus:

#### **13.1 *Placing and Offer Agreement***

The Company, TPL, the Directors and Peel Hunt have entered into the Placing and Offer Agreement dated 23 August 2017, pursuant to which Peel Hunt has agreed, subject to certain conditions, to use reasonable endeavours to procure placees in the Placing and Subscribers under the Offer for Subscription and Intermediaries Offer.

The Placing and Offer Agreement contains provisions entitling Peel Hunt to terminate the Issue (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to each applicant without interest at the applicant's risk.

Under the Placing and Offer Agreement, the Company and TPL have given certain warranties and indemnities to Peel Hunt and the Directors have given certain warranties to Peel Hunt. The warranties and indemnities are customary for an agreement of this nature.

The Placing and Offer Agreement provides for Peel Hunt to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Placing, Offer for Subscription and Intermediaries Offer. Under the Placing and Offer Agreement, Peel Hunt is entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Placing, Offer for Subscription and Intermediaries Offer. Peel Hunt is also entitled under the Placing and Offer Agreement to retain agents and may pay commission in respect of the Placing, Offer for Subscription and Intermediaries Offer to any or all of those agents out of its own resources.

As required by the AIM Rules, the Directors are prohibited pursuant to the Placing and Offer Agreement from disposing of Ordinary Shares, or interests in Ordinary Shares for 12 months from Admission subject to certain permitted exceptions. In addition, Simon Hope and Stephen Barrow (as both Directors and Tilstone Investors) are prohibited from disposing of any Consideration Shares, or interests in Consideration Shares, held by them at Admission (and are required to procure that their wives, Margaret Hope and Jenny Barrow (as Tilstone Investors) respectively, do likewise) for a period of 24 months following Admission subject to certain permitted exclusions.

The Company has undertaken not to offer, issue or sell Ordinary Shares (or securities convertible into Ordinary Shares or securities whose price is determined by reference to the price of Ordinary Shares) for a period commencing on the date of the Placing and Offer Agreement for a period of 180 days from Admission unless Peel Hunt otherwise consents in writing.

#### **13.2 *Investment Management Agreement***

The Company, G10 and TPL are party to the Investment Management Agreement dated 22 August 2017. Pursuant to the Investment Management Agreement, the Company has agreed, with effect from Admission, to engage G10 as investment manager until such time as TPL is approved as alternative investment fund manager by the FCA and thereafter to engage TPL as its investment manager. TPL will act exclusively for the Company upon its appointment. In the meantime, G10 will not be acting exclusively but it has given certain undertakings to the Company regarding other mandates, and has in place a conflicts of interest policy.

The Investment Manager is responsible for portfolio and risk management and the monitoring of the assets of the Company and has full discretionary authority over the acquisition and disposition of the Company's assets, with power to incur borrowings, give guarantees and securities and undertake other

transactions on behalf of the Company in accordance with the Investment Management Agreement and the Company's investment policy and in compliance with the AIFM Directive. The Investment Manager is also responsible for exercising the other powers and functions of the Investment Manager to ensure compliance with the AIFM Directive. The Investment Manager's duties under the Investment Management Agreement are owed to the Company rather than directly to the shareholders, whether individually or in groups.

The liability of the Investment Manager is limited and it is entitled to indemnifications from the Company. The Investment Manager maintains professional indemnity insurance in accordance with its obligations under the AIFM Directive to cover potential liability risks arising from professional negligence.

The Investment Manager is committed to its governing principals of ethical values in the efficient management of assets for the benefit of investors. Ordinary Shares in the Company are only suitable for investors (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment. The Investment Manager considers that the principal elements of fair treatment of such investors are in compliance with the terms of the Offer and clear disclosure of the nature and risks of investment in the Company, in order to enable investors to make informed decisions and keep their portfolios under review. The Investment Manager is committed to fair and clear reporting.

The Investment Manager will receive an annual fee (payable quarterly in arrears) equal to 1.1 per cent. of the NAV of the Company's portfolio on the basis of funds being fully invested up to £500 million and 0.9 per cent. thereafter, provided that for the period of six months from the date of Admission this excludes any uninvested cash which represents 5 per cent. or more of the NAV of the Company's portfolio. The fee will be payable to TPL, which will then pay a quarterly amount of £100,000 to G10 for the duration of its appointment.

No performance fee and no acquisition fee will be payable.

In the event that the Investment Management Agreement is terminated following a third party (or third parties acting in concert) acquiring a majority of the Ordinary Shares, the Investment Manager would be entitled to receive an exit fee equal to 15 per cent. of the total shareholder returns (defined as the price per share paid by such third party plus dividends and other distributions paid) generated since Admission, above a hurdle rate of 10 per cent. per annum on a compound basis since Admission. The exit fee will be capped at the amount of the annual management fee paid in the immediately preceding financial year.

The Investment Management Agreement is for a five year term from the date of Admission and is terminable on 24 months' notice in writing by either party expiring no earlier than the fifth anniversary of Admission. In addition, it is terminable on 30 days' notice by either party in writing in the event of a material breach or insolvency of the other party. The Company is also entitled to terminate the agreement forthwith by notice in writing in the event that the Investment Manager ceases to be able to fulfil its obligations as a result of a change of the rules of the FCA.

### 13.3 *Appointed Representative Letter*

TPL and G10 are party to the Appointed Representative Letter dated 2 February 2017, as novated on 21 March 2017, pursuant to which G10 will appoint TPL to act as its appointed representative in respect of the Company. As the appointed representative TPL will be responsible for working with and advising the Company and G10 in respect of sourcing investment opportunities which meet the Company's investment policy. As G10's appointed representative TPL will be exempt under section 39 of FSMA from the need to be authorised by the FCA to give investment advice and arrange deals in investments. TPL will also be responsible for managing the underlying real estate assets within the Tilstone Property Portfolio, which activity will not constitute a regulated activity under FSMA. Upon

receiving regulatory approval, TPL will be appointed as the authorised investment fund manager and the relationship with G10 will cease.

#### 13.4 *Acquisition Agreements*

The Company has entered into:

- (a) the Tilstone Warehouse Agreement with the Tilstone Warehouse Investors dated 22 August 2017 pursuant to which the Company has conditionally agreed to acquire the Tilstone Warehouse Portfolio through the acquisition of the entire issued share capital of Tilstone Warehouse; and
- (b) the Tilstone Holdings Agreement with the Tilstone Holdings Investors dated 22 August 2017 pursuant to which the Company has conditionally agreed to acquire the Tilstone Holdings Portfolio through the acquisition of the entire issued share capital of Tilstone Holdings.

The Tilstone Warehouse Agreement and the Tilstone Holdings Agreement are both on substantially the same terms.

The Acquisition Agreements are conditional upon Admission and completion will therefore occur simultaneously with, and conditionally upon, Admission. Upon the Acquisition Agreements becoming unconditional and being completed, the Tilstone Warehouse Investors will be allotted and issued with the TWHL Consideration Shares *pro rata* to their respective interests in Tilstone Warehouse and having due regard to the relative proportion that the Tilstone Warehouse Portfolio comprises of the Tilstone Property Portfolio and the Tilstone Holdings Investors will receive the THL Consideration Shares and the Cash Consideration. Not all of the Tilstone Holdings Investors are receiving Cash Consideration but all are receiving THL Consideration Shares. Accordingly, the THL Consideration Shares will be issued *pro rata* to their respective interests in Tilstone Holdings after accounting for the Cash Consideration (if any) received by them and having due regard to the relative proportion that the Tilstone Holdings Portfolio comprises of the Tilstone Property Portfolio.

The Cash Consideration is payable on the basis of the estimated net asset value of each of Tilstone Holdings and Tilstone Warehouse and accordingly each of the Acquisition Agreements include a post completion net asset adjustment mechanism.

After completion, the Company will procure that:

- (a) certain debt, amounting to approximately £20.2 million, which is secured on the Tilstone Holdings Portfolio and which comprises the HSBC Debt Repayment Amount and £6.3 million of the Subordinated Shareholder Debt, will be repaid; and
- (b) certain debt, amounting to approximately £36.1 million, which is secured on the Tilstone Warehouse Portfolio and which comprises the Tedel Debt Repayment Amount and £2.6 million of the Subordinated Shareholder Debt, will be repaid.

The Acquisition Agreements contain standard warranties that are customary for a share purchase agreement in respect of which the underlying assets are properties.

In contrast with the Tilstone Holdings Agreement, the Tilstone Warehouse Agreement provides for additional contingent consideration in the total aggregate amount of £900,000 to become payable by the Company to the Tilstone Warehouse Investors *pro rata* to their respective interests in Tilstone Warehouse as at the date of this Prospectus, in the event that within five years from the date of Admission: (i) relevant detailed or outline Development Planning Permission(s) is or are granted by the local planning authority in respect of the property at Queenslie Industrial Estate, Glasgow, Scotland; and (ii) the Valuer determines that the grant of such Development Planning Permission(s) has or together have increased the value of the property by not less than £900,000. This additional consideration will be payable in cash within 20 Business Days of the latter of the relevant Development Planning Permission(s) being granted and the requisite property valuation by the Valuer being finalised. Subject to the agreement of the Board giving consideration to whether such

arrangement enhances the NAV of the Company, the Tilstone Warehouse Investors may request that, where due and payable, this additional consideration be satisfied by the issue and allotment to them of fully paid Ordinary Shares in lieu of cash.

### 13.5 *HSBC Facility Agreement*

Tilstone Holdings is party to the HSBC Facility Agreement with HSBC dated 30 June 2016. HSBC has provided Tilstone Holdings with a term facility for an amount of £29.3 million and a revolving credit facility for an amount of £15 million under which £27.8 million and £13.9 million remains outstanding respectively. The term facility was made available for the purpose of allowing subsidiaries of Tilstone Holdings to repay their borrowings existing at the time the HSBC Facility Agreement was entered into. The revolving facility was made available for general corporate purposes.

Interest falls due quarterly and accrues at a floating rate of Three Month LIBOR plus a margin for the term facility of 2.50 per cent. per annum and for the revolving facility of 2.75 per cent. per annum. Both facilities are to be repaid in full on or before 30 June 2019. No instalment repayment is required before that date if the LTV (see below) remains greater than 50 per cent. An instalment repayment of £300,000 is required if the LTV is not greater than 50 per cent. The revolving facility is eligible to be redrawn (subject to standard conditions being met) until 20 April 2019. Commitment fees are payable on the undrawn amount of the revolving facility at the rate of 50 per cent. of the margin. The Company has paid HSBC a total arrangement fee of £443,000.

All rental income is required to be paid into bank accounts controlled by HSBC and applied to meet debt service. Once debt has been serviced, and assuming there is no default, any residual balances may be applied for any purpose not prohibited by the HSBC Facility Agreement.

The HSBC Facility Agreement includes certain financial covenants, adopting the standard Loan Market Association definitions for the determination of these tests. The covenants are: (i) LTV at any time shall not be greater than 65 per cent; (ii) interest cover (on both a 12-month projected and 12-month historic basis) shall not be lower than 200 per cent; and (iii) debt service (on both a 12-month projected and 12-month historic basis) shall not be less than 105 per cent.

The HSBC Facility Agreement includes restrictive covenants and events of default that are consistent with the relevant Loan Market Association standard form.

Each subsidiary of Tilstone Holdings is party to the HSBC Facility Agreement as cross-guarantor in favour of HSBC of all the obligations of Tilstone Holdings and each of its subsidiaries to HSBC.

### 13.6 *HSBC Debenture*

Tilstone Holdings and each of its subsidiaries have entered into a security debenture in favour of HSBC dated 30 June 2016. The debenture entered into by Tilstone Holdings purports to establish a first, fixed charge on the shares Tilstone Holdings holds in the capital of each of its subsidiaries, a first fixed charge on the rental account referred to in paragraph 13.5 of this Part XI above, a floating charge on the general account referred to in paragraph 13.5 of this Part XI above and a first legal assignment of the debts owed to it by each of its subsidiary companies and arising upon the making of on-loans by Tilstone Holdings for the purpose of funding the acquisition of properties. Each of the debentures entered into by each of the subsidiaries of Tilstone Holdings purports to establish a first legal mortgage and charge on the relevant subsidiary's property interests, a first assignment of the associated insurances, a first fixed charge on the relevant rental account and a first floating charge on the relevant general account. These debentures are supplemented by supplemental charges in respect of after acquired property interests.

### 13.7 *HSBC Heads of Terms*

Pursuant to heads of terms dated 15 March 2017, HSBC has indicated an in principle willingness to provide to Tilstone Holdings a credit facility for the lower of: (i) a £30 million term loan and a £35 million revolving credit facility; and (ii) an amount that meets the maximum LTV (defined below)

of 50 per cent. and a minimum interest cover ratio of 200 per cent. and a minimum debt service cover ratio of 105 per cent.

It is anticipated that the terms of the new credit facility will be very similar to the HSBC Facility Agreement described above, save that interest will accrue at a rate of the aggregate of margin (2.25 per cent. in respect of the term loan and 2.40 per cent. in respect of the revolving credit facility) and LIBOR and the commitment fee payable on any undrawn amounts under the revolving credit facility will be 45 per cent. of the margin (2.40 per cent.).

The heads of terms includes standard language requiring satisfactory completion of KYC procedures, due diligence and documentation.

### 13.8 ***Tedel Facility Agreement***

Tilstone Warehouse is party to a facility agreement with Tedel dated 31 October 2016 and amended on 16 December 2016. Tedel has provided Tilstone Warehouse with a £40 million term loan facility under which, as at 22 August 2017, being the most practicable date before the date of this Prospectus, £33.5 million remains outstanding. The facility was made available for the purpose of making loans to wholly owned subsidiaries of Tilstone Warehouse to allow those subsidiaries to finance the cost of the acquisition of properties. The facility is subject to standard events of default for a term facility of this nature. Pursuant to the Tedel Agreement, the property holding subsidiaries of Tilstone Warehouse are required to provide an upstream guarantee of Tilstone Warehouse's obligations to Tedel.

The Tedel Facility is to be repaid in full on Admission and in consequence of this a prepayment fee equivalent to 0.5 per cent. of the total amount of the Tedel Facility will be payable to Tedel. Tilstone Warehouse will repay the Tedel Facility and pay the prepayment fee from funds made available to it by the Company out of the proceeds of the Issue.

### 13.9 ***Tedel Debenture***

Tilstone Warehouse and each of its subsidiaries has entered into a security debenture in favour of Tedel. It is anticipated that each debenture and all other security will be released by Tedel on repayment.

### 13.10 ***Property Manager's Agreements***

Each of the Tilstone Subsidiaries has appointed Savills to act as Property Manager for the property portfolio they own pursuant to the terms of agreements entered into in 2016. The Property Manager will provide a wide range of services. These include ensuring the Company complies with all current property regulations including relevant health and safety requirements; providing building surveys and project management services; acting as a consultant to the Company in respect of sub-sector markets; acting as a consultant in respect of obtaining planning permissions; providing facilities management relating to the property portfolio; and also providing a management team to help with management tasks such as rent collection.

Under the terms of the Property Manager's Agreement, the Property Manager is entitled to a fee of £750 per tenant per annum. This annual fee is usually recovered from the service charge.

The Property Manager's Agreement is terminable upon three months' written notice.

Pursuant to the Property Management Agreement the Property Manager is also retained for a range of services with a fee agreed for such services on an *ad hoc* basis.

### 13.11 ***Savills Agreement***

In consideration for the services provided by Savills to enable the Tilstone Investors to assemble the Tilstone Property Portfolio, including the strategic advice received relating to various locations and occupiers, introduction of the debt facility, research assistance in relation to both occupational and investment values in the warehouse sector, a disposal fee will be payable by both Tilstone Holdings

and Tilstone Warehouse. The fee will be an amount equal to £400,000 plus VAT. The fee is conditional on and will become payable on Admission.

#### 13.12 *Administration Agreement*

The Company has appointed Capita Sinclair Henderson Limited to act as administrator to the Company pursuant to the terms of an agreement dated 22 August 2017. The Administrator provides the day-to-day administration of the Company as required by the Companies Act. The Administrator is also responsible for the Company's general administrative functions, such as the calculation and publication of the NAV and the maintenance of the Company's accounting and statutory records.

Under the terms of the Administration Agreement, the Administrator is entitled to a one off set-up fee of £6,500 and a fixed administration fee of £78,000 per annum (exclusive of VAT) covering the Company and up to three subsidiaries with additional fees payable for each additional subsidiary. All ongoing fees are subject to an annual RPI increase.

The Administration Agreement is terminable upon six months' written notice.

#### 13.13 *Registrar Agreement*

The Company has appointed Capita Registrar Limited as its Registrar pursuant to the terms of an agreement dated 22 August 2017. Under the agreement, Capita will provide services in relation to the transfer and settlement of Ordinary Shares held in uncertificated form.

Under the terms of the Registrar Agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed.

The Registrar Agreement may be terminated on three months' notice, such notice not to expire prior to the first anniversary of Admission.

#### 13.14 *Company Secretarial Service Agreement*

Capita Company Secretarial Services Limited has been appointed by the Company to provide company secretarial functions required by the Companies Act. Under the agreement, the Secretary is entitled to a company secretarial fee of £55,000 per annum (exclusive of VAT) in respect of the Company, subject to an annual RPI increase. The secretarial agreement is subject to an initial term of 12 months and automatically renews for successive periods of 12 months, unless written notice is given by either party at least three months' prior to the end of the then current fixed 12 month period.

#### 13.15 *Depositary Agreement*

Kingfisher Property Partnerships Limited has been appointed as Depositary to the Company pursuant to the terms of an agreement dated 22 August 2017. The Depositary is responsible for: (i) ensuring the Company's cash flows are properly monitored; (ii) the safe keeping of custody assets and the non-custody assets of the Company entrusted to it (which it shall hold on trust for the Company); and (iii) the oversight and supervision of the Investment Manager and the Company. Under the terms of the Depositary Agreement, the Depositary is entitled to a fee of £20,000 per annum, subject to an annual review on the basis of 0.015 per cent. of the most recent valuation of the Company's assets subject to a minimum annual fee of £20,000 and a maximum annual fee of £35,000. The Depositary Agreement is terminable by the Company on one months written notice served on the Depositary and by the Depositary on not less than three months' written notice served on the Company. The Depositary may not re-use any of the Company assets without the express prior written consent of the Investment Manager.

The Depositary was incorporated and registered in England and Wales on 16 November 2000 as a private company limited by shares under the Act with the name Lakesenate Limited and with the registered number 04109242. The name of the Depositary was subsequently changed to Kingfisher Property Partnerships Limited on 29 November 2000.

The Depository's registered office and principal place of business is at 41-43 Maddox Street, London, W1S 2PD and the telephone number is 020 7491 0380.

#### 13.16 *Lock-In Agreement*

Pursuant to lock-in agreements dated 23 August 2017, Andrew Bird and Paul Makin (as Tilstone Investors) have agreed (for themselves and also on behalf of their wives, Nicola Bird and Kate Makin (also as Tilstone Investors) respectively) not to dispose of any Consideration Shares, or interests in Consideration Shares, held by them at Admission for a period of 24 months from Admission save for certain customary exceptions, including the prior written consent of Peel Hunt.

#### 14 **Investment Manager – company information**

G10 is a UK based investment manager platform which focuses on providing services in particular to Private Equity and Real Estate funds.

G10 was incorporated and registered in England and Wales on 18 September 2014 as a private company limited by shares under the Act with the name G10 Capital Limited and with the registered number 09224491. G10 is part of the Lawson Connor Group of Companies, which provides compliance, risk advisory, software and regulatory consulting services to the financial services industry.

G10 is authorised to act as an alternative investment fund manager under the AIFM Directive by the FCA. The AIFM is responsible for managing and investing the assets of the Company in pursuit of the investment objective of the Company. G10 is a full scope AIFM under the AIFMD and authorised and regulated by the Financial Conduct Authority of the UK. G10 has, and shall maintain, the necessary expertise and resource to supervise the delegated tasks effectively. The Investment Manager maintains professional indemnity insurance in accordance with its obligations under the AIFM Directive to cover potential liability risks arising from professional negligence.

G10's registered office and principal place of business is at 136 Buckingham Palace Road, London, SW1W 9SA and the telephone number is 0207 305 5810.

The principal legislation under which G10 operates is the Act and regulations made under the Act.

TPL intends to apply to the FCA for approval as an alternative investment fund manager and expects to obtain such approval within six months of Admission. Once this approval is received it will become the Investment Manager for the Company.

TPL was incorporated and registered in England and Wales on 1 February 2017 as a private company limited by shares under the Act with the name Tilstone Partners Limited and with the registered number 10594167.

TPL's registered office and principal place of business is at Gorse Stacks House, George Street, Chester, England, CH1 3EQ and the telephone number is 01244 470 090.

The principal legislation under which TPL operates is the Act and regulations made under the Act.

The key personnel of TPL have worked together since August 2013 to acquire and manage the Tilstone Property Portfolio. Between them, they have over 95 years of combined property investment and development experience.

The Investment Management Agreement and the Appointed Representative Letter are described more fully in paragraphs 13.2 and 13.3 respectively of Part XI: "*Additional Information*" of this Prospectus.

#### 15 **Related party transactions**

Save for the arrangements described in paragraph 11.4 of this Part XI and the proposed subscription by Neil Kirton, Stephen Barrow, Simon Hope, Martin Meech, Aimee Pitman and Paul Makin for an aggregate of 1,800,000 Issue Shares as described in paragraph 11.1 of this Part XI, there are no related party transactions involving the Company, the Directors or any of the senior management team of TPL.

## **16 Information on holdings**

The Company does not hold a proportion of capital in any undertakings outside of the Group which are likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

## **17 Patents and licences**

The Company is not dependent on patents or licences or any particular industrial or new manufacturing processes which are material to the Company's business or profitability.

## **18 Property, plant and equipment**

Please see Part V: "*Valuation Report*" of this Prospectus for information on the property interests the Group holds.

## **19 Takeover bids and rights to acquire shares held by minority shareholders**

19.1 The Company will be subject to the provisions of the City Code, including the rules regarding mandatory takeover bids. Under Rule 9 of the City Code, when:

- (a) a person acquires interests in shares which, when taken together with interests in shares already held by him or persons acting in concert with him (as defined in the City Code), carry 30 per cent. or more of the voting rights of the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in shares equal to 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 such voting rights), and such person, or any person acting in concert with him, acquires additional interests in shares which increase the percentage of shares carrying voting rights in which he is interested,

then that person is normally required to make a general offer in cash, at the highest price paid by him or any person acting in concert with him for shares in the Company within the preceding 12 months, for all the remaining equity share capital (and any other class of transferable securities carrying voting rights) in the Company.

19.2 If a "takeover offer" (as defined in section 974 of the Act) is made and the offeror, by virtue of acceptances of such offer, acquires or contracts to acquire not less than nine tenths in value of the Ordinary Shares to which the takeover offer relates, then the offeror has the right to acquire compulsorily the remaining Ordinary Shares of the minority Shareholders for the offer price within a fixed period. In certain circumstances, the minority Shareholders also have the right to require the offeror to buy their Ordinary Shares at the offer price within a fixed period.

19.3 No takeover offers have been made in respect of the Company since its incorporation.

## **20 Expenses of the Issue**

The proceeds of the Issue to be received by the Company are expected to amount to £146.8 million. The total expenses of the Issue are estimated to be £3.2 million (assuming that the Issue is fully subscribed).

## **21 Legal and arbitration proceedings**

Since the Company's incorporation and during the last 12 months, there have been 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 and/or the Group's financial position or profitability.

## **22 Significant change**

- 22.1 There has been no significant change in the financial or trading position of the Company since 31 July 2017.
- 22.2 Since the Valuation Date, there have been no material changes to the valuation of the properties within the Tilstone Property Portfolio included in Part V: “*The Valuation Report*” in the Prospectus.

## **23 Working capital**

- 23.1 The Company is of the opinion that the working capital available to the Group is sufficient for the Group’s present requirements, that is, for at least the 12 months from the date of this document.
- 23.2 For the purposes of the AIM Rules, the Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company and its Group will be sufficient for its present requirements, that is, for at least the period of 12 months from the date of Admission.

## **24 Consents**

- 24.1 Peel Hunt LLP, acting in the capacity as nominated adviser and broker, 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.
- 24.2 Tilstone Partners Limited, acting in the capacity as the appointed representative of G10 acting in its capacity as investment manager to the Company, 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.
- 24.3 G10, acting in the capacity as Investment Manager, 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.
- 24.4 Deloitte LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of the reports in Part VII: “*Historical Financial Information of the Company*” and Part VIII: “*Unaudited Pro Forma Statement of Net Assets*” of this Prospectus, in the form and context in which they appear, and has authorised the contents of its reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

A written consent under the Prospectus Rules is different from a consent filed with the United States Securities and Exchange Commission under Section 7 of the Securities Act. As the Ordinary Shares have not been paid and will not be registered under the Securities Act, Deloitte LLP has not filed a consent under Section 7 of the Securities Act.

- 24.5 Gerald Eve LLP has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its report and the references to its name in the form and in the context in which they appear.

## **25 Statutory auditors**

The Company’s auditors for the period from incorporation are Deloitte LLP who are members of the Institute of Chartered Accountants in England and Wales.

## **26 Intermediaries**

The intermediaries authorised at the date of this Prospectus to use this Prospectus in connection with the Intermediaries Offer are:

- AJ Bell Securities Limited  
(<http://www.youinvest.co.uk/>)

- Alliance Trust Savings Limited  
(<http://www.alliancetrustsavings.co.uk/>)
- Cornhill Capital Limited  
(<http://www.cornhillcapital.com/>)
- Equiniti Financial Services Limited  
(<http://www.shareview.co.uk/>; <http://sagasharedirect.co.uk/>; <http://www.selftrade.co.uk/>)
- iDealing.com LTD  
(<http://www.idealing.com/>)
- IG Markets Ltd  
(<http://www.ig.com/>)
- Interactive Investor Trading Limited  
(<http://www.iii.co.uk/ipos/>)
- Jarvis Investment Management Ltd  
(<http://www.sharedealactive.co.uk/>; <http://www.x-o.co.uk/>)
- Redmayne-Bentley LLP  
(<http://www.redmayne.co.uk/sharedealing/new-issues.htm>)
- TD Direct Investing (Europe) Ltd  
(<http://www.tddirectinvesting.co.uk/investment-choices/initial-public-offering-ipo/>)
- SVS Securities  
(<http://svssecurities.com/>)
- Walker Crips Stockbrokers Limited  
(<http://www.wcgplc.co.uk/>)
- Barclays Bank Plc  
(<http://www.barclaysstockbrokers.co.uk/>)

## **27 Miscellaneous**

- (a) Except as disclosed in this document, there are no exceptional factors which have influenced the Company's activities in any material respect.
- (b) Except as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the date of application for Admission, or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
  - (i) fees totalling £10,000 or more;
  - (ii) securities in the Company with a value of £10,000 or more calculated by reference to the Issue Price; or
  - (iii) any other benefit with a value of £10,000 or more at the date of Admission.

## **28 Documents available for inspection**

Copies of the following documents will be available for inspection during usual business hours on any week day (Saturdays, Sundays and public holidays excepted) free of charge at the offices of Peel Hunt at Moor House 120 London Wall, London, EC2Y 5ET from the date of this Prospectus until 31 October 2017 (or, if earlier, Admission):

- (a) the Articles;
- (b) the letters of consent referred to in paragraph 24 of this Part XI; and
- (c) this Prospectus.

Dated 23 August 2017

## PART XII

### DEFINITIONS

The following definitions, and terms apply throughout this Prospectus (save for the report contained in Part V: “*Valuation Report*” of this Prospectus) unless the context requires otherwise:

<b>Acquisition</b>	the acquisition by the Company, conditionally upon but simultaneously with Admission, of the Tilstone Property Portfolio pursuant to the terms of the Acquisition Agreements;
<b>Acquisition Agreements</b>	the Tilstone Holdings Agreement and the Tilstone Warehouse Agreement;
<b>Act</b>	the UK Companies Act 2006, as amended from time to time;
<b>Admission</b>	admission of the Enlarged Share Capital to trading on AIM pursuant to the AIM Rules and such admission becoming effective in accordance with the AIM Rules;
<b>AGM</b>	annual general meeting;
<b>AIC</b>	the Association of Investment Companies;
<b>AIC Code</b>	the AIC Code of Corporate Governance;
<b>AIF</b>	alternative investment fund;
<b>AIFM Directive</b>	the EU Directive, which was required to be transposed by EU member states into national law on 22 July 2013 and regulates AIFMs and imposes obligations on AIFMs in the EU or on those Persons who market shares in such funds to EU investors;
<b>AIFMs</b>	alternative investment fund managers regulated by the AIFM Directive;
<b>AIM</b>	AIM, a market operated by London Stock Exchange;
<b>AIM Rules</b>	the AIM Rules for Companies issued by London Stock Exchange and those of its other rules which govern the admission to trading, and the operation of companies, on AIM;
<b>AIM Rules for Nominated Advisers</b>	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time;
<b>Application Form</b>	the application form attached to this Prospectus for use in connection with the Offer for Subscription;
<b>Articles</b>	the articles of association of the Company from time to time;
<b>Associated Lenders</b>	Helen Bird and the David Martin Bird Trust;
<b>Audit Committee</b>	the committee of the Board described in paragraph 2 of Part III: “ <i>Board, Investment Manager and Administration</i> ” of this Prospectus;
<b>Auditor</b>	Deloitte LLP of 2 New Street Square, London, ECGA 3BZ;
<b>Average Rent per sq ft</b>	$\frac{\text{Total Net Contracted Rent}}{\text{Total square feet;}}$

<b>Benefit Plan Investor</b>	(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the Internal Revenue Code (including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of a plan’s investment in the entity, or (iii) any “benefit plan investor” as otherwise defined in section 3(42) of ERISA or regulations promulgated by the US Department of Labor;
<b>Big Box</b>	warehouse buildings that are 150,000 square feet or larger;
<b>Board</b>	the board of Directors;
<b>Brexit</b>	the term used to refer to the result of a referendum held on 23 June 2016 to decide whether the UK should remain in the EU whereby the vote was given in favour of the UK leaving the EU;
<b>Building Reinstatement Value</b>	the total estimated cost (including costs of demolition and professional fees) of reinstating a property to its current condition in the event of it being totally destroyed by fire;
<b>Capita Asset Services</b>	Capita Asset Services, a trading name of Capita Registrars Limited;
<b>Capital Value</b>	the market value attributed to an asset by the independent valuer;
<b>Cash Consideration</b>	£8,163,674, being the total aggregate amount of consideration payable to the Tilstone Investors in cash on Admission pursuant to the terms of the Acquisition Agreements, in consideration (in part) for the acquisition by the Company of the Tilstone Property Portfolio;
<b>CDD Rules</b>	the customer due diligence rules implemented by the Money Laundering Regulations 2007;
<b>City Code</b>	the UK City Code on Takeovers and Mergers;
<b>Company</b>	Warehouse REIT plc, a company incorporated in England and Wales with its registered office at Gorse Stacks House, George Street, Chester, United Kingdom, CH1 3EQ;
<b>Companies Acts</b>	the Companies Acts as defined in section 2 of the Companies Act 2006, as amended, re enacted and consolidated from time to time;
<b>Consideration Shares</b>	the THL Consideration Shares and the TWHL Consideration Shares;
<b>Contracted Rent</b>	the Gross Contracted Rent from the property asset less any headrent due to the freeholder under a long leasehold property;
<b>CREST</b>	the computerised settlement system operated by Euroclear UK & Ireland to facilitate the transfer of title to shares in uncertificated form;
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>CTA 2009</b>	the UK Corporation Tax Act 2009;
<b>CTA 2010</b>	the UK Corporation Tax Act 2010;

<b>Debt Repayment Amount</b>	the Tedel Debt Repayment Amount and the HSBC Debt Repayment Amount;
<b>Depository</b>	Kingfisher Property Partnerships Limited of 41-43 Maddox Street, London W1S 2PD;
<b>Development Planning Permission</b>	planning permission in principle to use no less than 9 acres of land (without the loss of any existing buildings) for a range of uses which may include any of the following: employment led mixed-use development to include Classes 4, 5 and 6, business, employment and industrial uses, Class 1 retail and trade counter use, Class 3 restaurant/cafe, Class 7 hotels, car showroom/auction use, petrol filling station, hot food takeaway, pub, landscaping, building refurbishment, revisions to access and parking, drainage, associated infrastructure, ancillary works and demolition works;
<b>Directors</b>	the non executive directors of the Company from time to time being, as at the date of this Prospectus, those directors whose names are set out on page 32 of this Prospectus;
<b>Disclosure Guidance and Transparency Rules</b>	the rules relating to the disclosure of information made in accordance with Section 73A and 89A to 89G of FSMA;
<b>Distribution</b>	any dividend or other distribution by the Company (“distribution” being construed in accordance with Part 23 of CTA 2010);
<b>Enlarged Share Capital</b>	the issued Ordinary Share capital of the Company on Admission comprising the Existing Ordinary Share, the Consideration Shares and the Issue Shares;
<b>ERISA</b>	the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder;
<b>ERV</b>	Estimated Rental Value;
<b>EU</b>	European Union, the association of European Nations formed in 1993 for the purpose of achieving political and economic integration;
<b>Euroclear UK &amp; Ireland</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>Excessive Shareholder</b>	a company or body corporate that is beneficially entitled, directly or indirectly, to 10 per cent. or more of the distributions paid by the Company and/or share capital of the Company, or which controls, directly or indirectly, 10 per cent. or more of the voting rights of the Company (referred to in section 553 of CTA 2010 as a “holder of excessive rights”);
<b>Excessive Shareholding</b>	an Excessive Shareholder’s shareholding;
<b>Exchange Act</b>	the US Securities Exchange Act of 1934, as amended from time to time;
<b>Existing Ordinary Share</b>	the one Ordinary Share in issue as at the date of this Prospectus;
<b>FATCA</b>	the Foreign Account Tax Compliance provisions, being provisions contained in the US Hiring Incentives to Restore Employment Act 2010;
<b>Financial Conduct Authority or FCA</b>	the UK Financial Conduct Authority;

<b>FS Act</b>	the UK Financial Services Act 2012;
<b>FSMA</b>	the UK Financial Services and Markets Act 2000, as amended;
<b>Gross Contracted Rent</b>	the total rent due under the leases from the occupational tenants;
<b>Gross Initial Yield</b>	Gross Contracted Rent/(Capital Value plus costs of acquisition);
<b>Group</b>	the Company and its Subsidiary Undertakings;
<b>G10</b>	G10 Capital Limited of 134 Buckingham Palace Road, London SW1W 9SA;
<b>HMRC</b>	Her Majesty's Revenue & Customs;
<b>HSBC</b>	HSBC Bank plc or any of its affiliates;
<b>HSBC Debenture</b>	the debenture entered into by Tilstone Holdings and each of its subsidiaries in favour of HSBC on 30 June 2016 as described more fully in paragraph of 13.6 of Part XI: " <i>Additional Information</i> " of this Prospectus;
<b>HSBC Debt Repayment Amount</b>	£13.9 million, being the total aggregate amount required to be repaid in full under and pursuant to the HSBC Facility Agreement;
<b>HSBC Facility Agreement</b>	the facility agreement entered into between Tilstone Holdings and HSBC on 30 June 2016 as described more fully in paragraph of 13.5 of Part XI: " <i>Additional Information</i> " of this Prospectus;
<b>IFRS</b>	International Financial Reporting Standards as adopted by the EU;
<b>Institutional Investor</b>	a person who qualifies as an institutional investor under Section 528(4A) of CTA 2010;
<b>Intermediaries</b>	the entities listed in paragraph 26 of Part XI: " <i>Additional Information</i> " of this Prospectus, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus;
<b>Intermediaries Offer</b>	the offer for subscription of Issue Shares at the Issue Price to the Intermediaries on the terms and subject to the conditions agreed between Peel Hunt and the Intermediaries in connection with the Intermediaries Offer;
<b>Intermediaries Terms and Conditions</b>	the terms and conditions agreed between Peel Hunt, the Company, the Investment Manager and the Intermediaries in relation to the Intermediaries Offer;
<b>Internal Revenue Code</b>	the US Internal Revenue Code of 1986, as amended from time to time;
<b>Investment Company Act or ICA</b>	the US Investment Company Act of 1940, as amended from time to time;
<b>Investment Management Agreement</b>	the agreement dated 22 August 2017 made between the Company, TPL and G10 as described more fully in paragraph 13.2 of Part XI: " <i>Additional Information</i> " of this Prospectus;
<b>Investment Manager</b>	the Company's authorised investment fund manager from time to time, being as at the date of this Prospectus, G10 and which is

	expected to become TPL as soon as TPL has been approved as an authorised investment fund manager by the FCA;
<b>Investors</b>	subscribers for Ordinary Shares pursuant to the Issue;
<b>ISA</b>	an individual savings account being a scheme allowing individuals to hold cash, shares, and unit trusts free of tax on dividends, interest, and capital gains;
<b>Issue</b>	the issue of up to 150 million Issue Shares pursuant to the Placing and the Offer for Subscription (including the Intermediaries Offer);
<b>Issue Costs</b>	the costs associated with the Issue as detailed in Part VI: “ <i>Details of the Issue and the Consideration Shares</i> ” of this Prospectus;
<b>Issue Price</b>	£1.00 per Issue Share;
<b>Issue Shares</b>	new Ordinary Shares to be issued by the Company to Investors;
<b>last mile</b>	a term used to describe the final stage or process involved in connecting the end customer with the relevant retailer or manufacturer in the context of an on-line internet based transaction;
<b>LIBOR</b>	London Interbank Offered Rate;
<b>Lock-in Agreements</b>	the agreements dated 23 August 2017 between Andrew Bird and Paul Makin (as Tilstone Investors), the Company and Peel Hunt, a summary of which is set out in paragraph 13.16 of Part XI: “ <i>Additional Information</i> ” of this Prospectus;
<b>London Stock Exchange or LSE</b>	London Stock Exchange plc;
<b>LTV</b>	loan to value ratio (calculated as gross debt less cash, short term deposits and liquid investments divided by the aggregate value of properties and investments);
<b>Management Engagement Committee</b>	the committee of the Board described in paragraph 2 of Part III: “ <i>Board Investment Manager and Administration</i> ” of this Prospectus;
<b>Market Abuse Regulation</b>	Regulation (EU) No 596/2014 and the delegated regulations made pursuant to it;
<b>Market Value</b>	the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion;
<b>Member States</b>	the member states of the EU;
<b>Minimum Gross Issue Proceeds</b>	£80 million;
<b>NAV</b>	net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to be realised in a long-term property business model such as the fair value of financial derivatives and deferred taxes on property valuation surpluses in accordance with the guidelines of the European Public Real Estate Association;
<b>Net Initial Yield</b>	$\frac{\text{Contracted Rent}}{\text{Capital Value} + \text{costs of acquisitions}};$

<b>Nomination Committee</b>	the committee of the Board described in paragraph 2 of Part III: “ <i>Board, Investment Manager and Administration</i> ” of this Prospectus;
<b>Non-PID Dividends</b>	a dividend paid by the Company that is not a PID;
<b>Occupancy</b>	properties subject to a lease;
<b>OFAC</b>	United States Department of Treasury’s Office of Foreign Assets Control;
<b>Offer for Subscription</b>	the offer for subscription of Issue Shares at the Issue Price on the terms and subject to the conditions set out in this Prospectus;
<b>Official List</b>	the official list of the UKLA;
<b>Ordinary Shares</b>	ordinary shares of £0.01 each in the capital of the Company;
<b>Peel Hunt</b>	Peel Hunt LLP of Moor House, 120 London Wall, EC2Y 5ET, the Company’s nominated advisor;
<b>Person</b>	a natural person, a corporation, partnership or other entity or organisation of any kind incorporated or unincorporated and wherever domiciled;
<b>PID or Property Income Distribution</b>	a distribution referred to in section 548(1) or 548(3) of CTA 2010, being a dividend or distribution paid by the Company in respect of profits or gains of the Qualifying Property Rental Business of the Group (other than gains arising to non-UK resident Group companies) arising at a time when the Group is a REIT insofar as they derive from the Group’s Qualifying Property Rental Business;
<b>Placees</b>	those Persons who have agreed to subscribe for the Placing Shares;
<b>Placing</b>	the conditional placing by Peel Hunt of Placing Shares at the Issue Price on the terms and subject to the conditions set out in this Prospectus and in the Placing and Offer Agreement;
<b>Placing and Offer Agreement</b>	the agreement dated 23 August 2017 between the Company, the Directors, TPL and Peel Hunt, a summary of which is set out in paragraph 13.1 of Part XI: “ <i>Additional Information</i> ” of this Prospectus;
<b>Placing Shares</b>	new Issue Shares to be issued by the Company pursuant to the Placing;
<b>Plan Asset Regulations</b>	the US Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA;
<b>Property Manager or Savills</b>	Savills (UK) Limited, 33 Margaret Street, London W1G 0JD, the Company’s property manager;
<b>Property Manager’s Agreements</b>	the Agreements entered into between the Tilstone Subsidiaries and Savills on various dates in 2016, a summary of which is set out in paragraph 13.10 of Part XI: “ <i>Additional Information</i> ” of this Prospectus;
<b>Prospectus</b>	this Prospectus relating to the Company and the Ordinary Shares prepared in accordance with the AIM Rules and the Prospectus Rules;

<b>Prospectus Directive</b>	European Union Directive (2003/71/EC), including any relevant implementing measure in each member state of the European Economic Area that has implemented Directive 2003/71/EC;
<b>Prospectus Rules</b>	the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market;
<b>Qualifying Property Rental Business</b>	a business within the meaning of section 205 of CTA 2009 or an overseas property business within the meaning of section 206 CTA 2009, but, in each case, excluding certain specified types of business (as per section 519(3) of CTA 2010);
<b>RDCs</b>	Regional Distribution Centres;
<b>Receiving Agent</b>	Capita Asset Services of Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
<b>Redeemable Ordinary Shares</b>	the redeemable ordinary shares of £1.00 each in the capital of the Company;
<b>Registrar</b>	Capita Asset Services of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
<b>Regulation S</b>	Regulation S promulgated under the Securities Act;
<b>Regulatory Information Service</b>	a Regulatory Information Service that is approved by the FCA and that is on the list of Regulatory Information Service providers maintained by the FCA;
<b>REIT</b>	a company or group to which Part 12 of CTA 2010 applies;
<b>REIT Group</b>	a group UK REIT within the meaning of Part 12 of CTA 2010;
<b>REIT Regime</b>	Part 12 of CTA 2010;
<b>Residual Business</b>	the business of the Group which is not a Qualifying Property Rental Business;
<b>RICS</b>	the Royal Institute of Chartered Surveyors;
<b>SDRT</b>	Stamp Duty Reserve Tax;
<b>Securities Act</b>	the U.S. Securities Act of 1933, as amended;
<b>SEDOL</b>	Stock Exchange Daily Official List number;
<b>Shareholders</b>	holders of Ordinary Shares;
<b>Similar Law</b>	any US federal, state, local or foreign law that is similar to provision 406 of ERISA or section 4975 of the Internal Revenue Code;
<b>SIPP</b>	Self-Invested Personal Pension;
<b>SMEs</b>	Small and Medium Enterprises;
<b>SSAS</b>	Small Self-Administered Scheme;
<b>Sterling or £</b>	Great British Pounds, the currency of the United Kingdom;
<b>Subsidiary Undertaking</b>	shall be construed in accordance with section 1162 and Schedule 7 of the Act, save that an undertaking shall also be treated, for the purposes only of the membership requirement contained in

subsections 1162(2)(b) and (d), as a member of another undertaking if any shares in that other undertaking are held by a person (or its nominee) by way of security or in connection with the taking of security granted by the undertaking or any of its subsidiary undertakings;

<b>Tedel</b>	Tedel Holdings B.V., a company incorporated in the Netherlands with company number 33191674 and whose registered office is at Herikerbergweg 238, ArenA 1101, CM Amsterdam;
<b>Tedel Debenture</b>	the debenture entered into by Tilstone Warehouse and each of the Tilstone Warehouse Subsidiaries in favour of Tedel on 11 November 2016 as described more fully in paragraph 13.9 of Part XI “ <i>Additional Information</i> ” of this Prospectus;
<b>Tedel Debt Repayment Amount</b>	£33.5 million, being the total aggregate amount required to be repaid in full under and pursuant to the Tedel Facility Agreement;
<b>Tedel Facility</b>	the facility of £40 million made available under the Tedel Facility Agreement;
<b>Tedel Facility Agreement</b>	the facility agreement entered into between Tilstone Warehouse and Tedel on 21 October 2016 and amended on 16 December 2016 as described more fully in paragraph of 13.8 of Part XI “ <i>Additional Information</i> ” of this Prospectus;
<b>THL Consideration Shares</b>	the 11,819,338 new Ordinary Shares to be issued as fully paid to the Tilstone Holdings Investors on Admission pursuant to the terms of the Tilstone Holdings Agreement, in consideration (in part) for the acquisition by the Company of the Tilstone Holdings Portfolio;
<b>Three Month LIBOR</b>	the average interest rate at which a selection of banks in London are prepared to lend to one another in Sterling with a maturity of three months;
<b>Tilstone Holdings</b>	Tilstone Holdings Limited, a company incorporated in England and Wales with company number 10054491 whose registered office is at Gorse Stacks House, George Street, Chester CH1 3EQ;
<b>Tilstone Holdings Agreement</b>	the agreement dated 22 August 2017 between the Company and each of the Tilstone Holdings Investors relating to the acquisition by the Company, conditional upon Admission, of the entire issued share capital of Tilstone Holdings, a summary of which is set out in paragraph 13.4 of Part XI: “ <i>Additional Information</i> ” of this Prospectus;
<b>Tilstone Holdings Investors</b>	the shareholders of Tilstone Holdings as at the date of this Prospectus, being each of Simon Hope, Margaret Hope, Andrew Bird, Nicola Bird, Stephen Barrow and Jenny Barrow;
<b>Tilstone Holdings Portfolio</b>	the properties owned, whether directly or indirectly, as at the date of this Prospectus by Tilstone Holdings as further detailed in Part V: “ <i>Valuation Report</i> ” of this Prospectus;
<b>Tilstone Holdings Subsidiaries</b>	the subsidiaries of Tilstone Holdings as at the date of this Prospectus being each of Tilstone Industrial Limited, Tilstone Retail Limited and Tilstone Trade Limited;

<b>Tilstone Investors</b>	together, the Tilstone Holdings Investors and the Tilstone Warehouse Investors;
<b>Tilstone Property Portfolio</b>	together, the properties held within the Tilstone Holdings Portfolio and the Tilstone Warehouse Portfolio;
<b>Tilstone Subsidiaries</b>	the Tilstone Holdings Subsidiaries and the Tilstone Warehouse Subsidiaries;
<b>Tilstone Warehouse</b>	Tilstone Warehouse Holdco Limited, a company incorporated in England and Wales with company number 10407988 whose registered office is at Gorse Stacks House, George Street, Chester CH1 3EQ;
<b>Tilstone Warehouse Agreement</b>	the agreement dated 22 August 2017 and entered into between the Company and each of the Tilstone Warehouse Investors relating to the acquisition by the Company, conditional upon Admission, of the entire issued share capital of Tilstone Warehouse, a summary of which is set out in paragraph 13.4 of Part XI: “ <i>Additional Information</i> ” of this Prospectus;
<b>Tilstone Warehouse Investors</b>	the shareholders of Tilstone Warehouse as at the date of this Prospectus, being each of Simon Hope, Margaret Hope, Andrew Bird, Nicola Bird, Stephen Barrow, Jenny Barrow, Paul Makin and Kate Makin;
<b>Tilstone Warehouse Portfolio</b>	the properties owned, whether directly or indirectly, as at the date of this Prospectus by Tilstone Warehouse as further detailed in Part V: “ <i>Valuation Report</i> ” of this Prospectus;
<b>Tilstone Warehouse Subsidiaries</b>	the subsidiaries of Tilstone Warehouse as at the date of this Prospectus, being each of Tilstone Industrial Warehouse Limited, Tilstone Basingstoke Limited, Tilstone Glasgow Limited and Tilstone Retail Limited;
<b>TPL</b>	Tilstone Partners Limited of Gorse Stacks House, George Street, Chester, CH1 3EQ;
<b>Triple Net Rent</b>	the Contracted Rent less non recoverable and void costs;
<b>Triple Net Yield</b>	$\frac{\text{Triple Net Rent}}{(\text{Capital Value} + \text{costs of acquisition})};$
<b>TWHL Consideration Shares</b>	the 4,180,662 new Ordinary Shares to be issued as fully paid to the Tilstone Warehouse Investors on Admission pursuant to the terms of the Tilstone Warehouse Agreement, in consideration for the acquisition by the Company of the Tilstone Warehouse Portfolio;
<b>uncertificated or in uncertificated form</b>	Ordinary Shares held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>United States or US or USA</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia and all other areas subject to its jurisdiction;

<b>Unsecured Subordinated Shareholder Debt</b>	the unsecured shareholder debt in the total aggregate amount of £8.9 million held by the Tilstone Investors and the Associated Lenders in respect of the Tilstone Property Portfolio;
<b>UKLA</b>	the UK Listing Authority being the FCA acting in its capacity as the competent authority for the purpose of Part VI of FSMA;
<b>Underlying Applicant</b>	applicants for Ordinary Shares pursuant to the Intermediaries Offer;
<b>U.S. Person</b>	as defined in Regulation S;
<b>US\$ or \$</b>	US dollars, the lawful currency of the United States;
<b>Valuation Date</b>	31 March 2017;
<b>Valuer</b>	the property valuer appointed by the Company from time to time, being as at the date of this Prospectus Gerald Eve LLP of 72 Welbeck Street, London, W1G 0AY;
<b>VAT</b>	UK Value Added Tax; and
<b>WAULT</b>	weighted average unexpired lease term.

# APPENDIX I

## TERMS AND CONDITIONS OF THE PLACING

### 1 Eligibility

A person must be invited by Peel Hunt to participate in the Placing in order to do so. Members of the public are not eligible to take part in the Placing.

In this Appendix I “**Peel Hunt Person**” means any person that is (i) Peel Hunt, (ii) an undertaking which is a subsidiary undertaking of Peel Hunt, (iii) a parent undertaking of Peel Hunt or (other than Peel Hunt) a subsidiary undertaking of any such parent undertaking, or (iv) a director, officer, agent or employee of any such person.

### 2 Placing

Peel Hunt is arranging the Placing as agent for and on behalf of the Company.

**Each Placee will be required to pay to Peel Hunt, on the Company’s behalf, the Subscription Price of £1.00 (in this Appendix, the “Subscription Price”) for each Placing Share that it agrees to acquire under the Placing in accordance with the terms in this Appendix.** Each Placee’s obligation to acquire and pay for Placing Shares under the Placing will be owed to each of the Company and Peel Hunt. No commissions will be paid to or by Placees in respect of their agreement to acquire any Placing Shares.

### 3 Participation and settlement

The commitment of an invited person to acquire a fixed number of Placing Shares under the Placing will be agreed orally with Peel Hunt. Such agreement will constitute that person’s commitment as a Placee to the Company and to Peel Hunt to acquire that number of Placing Shares, or such lesser number of Placing Shares as are finally allocated to the Placee, at the Subscription Price on and subject to the terms and conditions in this Appendix I and subject to the Company’s constitution.

Peel Hunt will send a written confirmation to the Placee stating (i) the number of Placing Shares that the Placee has agreed to acquire, (ii) the aggregate amount that the Placee will be required to pay for them, (iii) relevant settlement information and (iv) settlement instructions. A settlement instruction form will accompany each written confirmation and, on receipt, should be completed and returned by the date and time stated in it. Settlement of transactions in the Placing Shares will take place in the CREST system, subject to certain exceptions, on a “delivery versus payment” (DVP) basis. Peel Hunt may require settlement for and/or delivery to any Placees of any Placing Shares to be made by such other means that it regards as appropriate if it considers that delivery or settlement is or may not be possible or practicable in the CREST system for any reason. A Placee whose Placing Shares are to be delivered to a custodian or settlement agent should ensure that the written confirmation is copied and delivered promptly to the appropriate person in that organisation.

### 4 Conditions

The Placing is conditional on (i) Peel Hunt’s obligations under the Placing and Offer Agreement not being terminated in accordance with its terms, (ii) Admission taking place not later than 8.00 a.m. on 20 September 2017, and (iii) the Placing and Offer Agreement becoming unconditional in all other respects.

Peel Hunt may extend the time and/or date for the fulfilment of any condition in the Placing and Offer Agreement to no later than 5.00 p.m. on 31 October 2017 (the “*Long Stop Date*”). If any such condition is not fulfilled (and, if capable of waiver, is not waived by Peel Hunt) by the relevant time, each Placee’s rights and obligations in respect of the Placing will cease and terminate at that time and the Placing will not be completed.

Peel Hunt may terminate its obligations under the Placing and Offer Agreement prior to Admission in certain circumstances including, among other things, following a material breach of that Agreement by the Company or TPL as the Company’s appointed representative until such time as they become authorised to act as alternative investment fund manager by the FCA (in this Appendix the “**Investment Manager**”) or

following the occurrence of certain *force majeure* events. The exercise of any right of termination pursuant to the Placing and Offer Agreement, any waiver of any condition in it and any decision by Peel Hunt whether or not to extend the time for satisfaction of any condition in it will be in Peel Hunt's absolute discretion. Peel Hunt will have no liability to any Placee in respect of any such termination, waiver or extension or any decision to exercise or not to exercise any such right of termination, waiver or extension.

## 5 Placees' warranties and undertakings

By agreeing with Peel Hunt to acquire Placing Shares under the Placing a Placee (and any person acting on a Placee's behalf) will acknowledge and confirm and warrant and undertake to, and agree with, each of the Company and TPL and Peel Hunt, in each case as a term of that agreement, that:

- (a) it agrees to and accepts all the terms in this Appendix;
- (b) it will pay the full cash amount at the Subscription Price as and when required in respect of all Placing Shares finally allocated to it and will do all things necessary on its part to ensure that payment for such shares and their delivery to it or at its direction is completed in accordance with the standing CREST instructions (or, where applicable, standing certificated settlement instructions) that it has or puts in place with Peel Hunt;
- (c) (i) the contents of this document are the responsibility only of the Company and of those other persons who are stated in it as having accepted responsibility for such contents (being the Directors and TPL), and of no one else, and (ii) their responsibility for such contents is as stated in paragraph 1 of Part XI: "*Additional Information*" of this Prospectus;
- (d) it has not been, and will not be, given any warranty or representation in relation to any Ordinary Shares or the Company or any other Group member or the contents of this document or otherwise in connection with the Placing, other than (i) by the Directors, TPL and the Company as set out in the "Responsibility statement" referred to in the previous paragraph, (ii) in relation to the contents of any supplementary prospectus that may be published in respect of this document, as stated in such supplementary prospectus, or (iii) for any other warranty or representation in respect of which it has waived all its rights;
- (e) (i) it has not relied on any representation or warranty in reaching its decision to acquire Placing Shares under the Placing, save as given or made by the Directors or TPL or the Company as referred to in the previous paragraph, (ii) in reaching such decision it has had a proper and sufficient opportunity to consider and fully take into account all the information in this document, (iii) it has not been, and will not be, given any warranty or representation by any Peel Hunt Person in relation to any Ordinary Shares, the Company or any other Group member or the contents of this document, and (iv) no Peel Hunt Person will have any liability to it for any information in this document or in any draft or earlier version of this document or which is to be or has been published by the Company, G10 or TPL or for any decision by it to participate in the Placing based on any such information or on any other information provided to it;
- (f) (i) it has complied and will comply with all applicable laws and regulations (collectively "**applicable law**") in relation to its participation in the Placing such as (where relevant) the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007, (ii) if it is required to obtain a consent from any authority or person for the purpose of or as a consequence of such acquisition, it has done so, and (iii) it will provide promptly to Peel Hunt such evidence, if any, as to the identity or location or legal status of any person which Peel Hunt may request from it in connection with the Placing in the form and manner requested by Peel Hunt on the basis that any failure by it to do so may result in the number of Placing Shares that are finally allocated to it or at its direction pursuant to the Placing being reduced to such number, or to nil, as Peel Hunt may decide;
- (g) (i) it has not taken and will not take any action in relation to the Placing that contravenes or would contravene applicable law, (ii) it has not omitted and will not omit to do anything which by such omission has resulted or would result in such a contravention, and (iii) neither its acquisition of

Placing Shares nor any other aspect of its participation in the Placing will contravene applicable law nor will cause the Company, G10, TPL or Peel Hunt to contravene applicable law;

- (h) (i) its rights and obligations in respect of the Placing will terminate only in the circumstances referred to in this Appendix and will not be subject to rescission or termination by it in any circumstances, (ii) it has waived all rights that it may subsequently have under section 87Q(4) of FSMA, should the Company publish a supplementary prospectus in relation to the Prospectus or be required to do so, not to subscribe for any Placing Shares, (iii) none of its rights or obligations in respect of the Placing is conditional on any other person agreeing to acquire any Placing Shares under the Placing, and (iv) Peel Hunt may itself subscribe some Placing Shares as a Placee and may arrange for any other Peel Hunt Person or any person associated with any Peel Hunt Person to do so;
- (i) (i) it is not, and is not acting in relation to the Placing as nominee or agent for, a person who is or may be liable to stamp duty or stamp duty reserve tax in respect of any agreement to acquire (or any acquisition of) shares or other securities admitted to trading on the London Stock Exchange's main market at a rate in excess of 0.5 per cent., (ii) neither Peel Hunt nor TPL nor the Company nor any of the Company's other advisers or agents referred to in this document will be responsible to it or anyone else for any liability that it may have to pay stamp duty or stamp duty reserve tax in respect of its acquisition of Placing Shares or any arrangements it may make or enter into relating to any such shares, and (iii) it is not a client of Peel Hunt, G10 nor TPL in relation to the Placing and neither Peel Hunt, G10 nor TPL is acting for it in connection with the Placing or will be responsible to it in respect of the Placing for providing protections afforded to their clients;
- (j) it is a person who is a "qualified investor" as referred to at section 86(7) of FSMA and at or to whom any private communication relating to the Company that is a financial promotion (as such term is used in relation to FSMA) may lawfully be issued, directed or otherwise communicated without the need for it to be approved, made or directed by an "authorised person" as referred to in FSMA;
- (k) (in this paragraph "**US person**" and other applicable terms have the meanings that they have in Regulation S made under the US Securities Act of 1933, as amended) (i) none of the Ordinary Shares have been or in the foreseeable future will be registered under that Act or under the securities laws of any State of or other jurisdiction within the United States, (ii) subject to certain exceptions, no Ordinary Shares may be offered or sold, resold, or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any US person, (iii) it is (unless otherwise expressly agreed with Peel Hunt in writing) neither within the United States nor a US person, (iv) it has not offered, sold or delivered and will not offer sell or deliver any of the Placing Shares to persons within the United States, directly or indirectly, (v) neither it, its affiliates, nor any persons acting on its behalf, have engaged or will engage in any directed selling efforts with respect to any Ordinary Shares, (vi) it is not acquiring, and has not offered to acquire, Placing Shares with a view to their sale or resale in or into the United States, and (vii) it will not distribute this document or any offering material relating to Placing Shares or any other Ordinary Shares, directly or indirectly, in or into the United States or to any persons resident in the United States;
- (l) any officer or employee of Peel Hunt or of G10 may, as the Placee's agent, execute and deliver to the Company and/or the Company's registrars any documents and take such other action on the Placee's behalf as Peel Hunt or G10 considers necessary or appropriate to enable any Placing Shares allocated to the Placee to be registered in accordance with the Placee's instructions or otherwise in accordance with this Appendix or any other provisions in this document;
- (m) (i) each right or remedy of the Company or Peel Hunt, G10 or TPL in relation to the Placing provided for in this document is in addition to any other right or remedy which is available to such person, (ii) the exercise of any such right or remedy in whole or in part will not preclude the subsequent exercise of any such right or remedy, and (iii) all rights and powers of Peel Hunt under the Placing and Offer Agreement and all other rights and powers of Peel Hunt referred to in this Appendix or elsewhere in this document are exercisable by Peel Hunt (unless stated otherwise) at its absolute discretion;

- (n) (i) any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent by post to it at any address provided by it to Peel Hunt, (ii) time is of essence as regards its obligations in respect of the Placing as set out or referred to in this Appendix, (iii) nothing in this Appendix or elsewhere in this document will exclude any liability of any person for fraud on its part, and (iv) all times and dates relating to the Placing referred to in this Appendix are subject to amendment by Peel Hunt except that in no circumstances will the date scheduled for Admission be later than the Long Stop Date; and
- (o) this Appendix and any contract which may be entered into between it and Peel Hunt and/or the Company pursuant to this Appendix or the Placing, and all non-contractual obligations arising between it and the Company and/or G10 and/or TPL and/or Peel Hunt in respect of the Placing, will be governed by and construed in accordance with the laws of England, for which purpose it submits (for itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of or relating to the Placing or this Appendix or such contract, except that each of the Company, G10 and TPL and Peel Hunt will have the right to bring enforcement proceedings anywhere else it considers appropriate in respect of a judgement obtained by it against a Placee in the English courts.

## **6 Payment default**

A Placee's entitlement to receive Placing Shares will be conditional on Peel Hunt's receipt of payment in full in cleared funds for such shares by the relevant time to be stated in the written confirmation referred to above, or by such later time and date as Peel Hunt may determine, and otherwise in accordance with that confirmation's terms. Peel Hunt may waive this condition, and will not be liable to any Placee for any decision to waive it or not.

If any Placee fails to make such payment by the required time for any Placing Shares (1) the Company may release itself from all obligations it may have to allot and/or issue any such Placing Shares to such Placee or at its direction which are then unallotted and/or unissued, (2) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the full extent permitted under its constitution or by law and to the extent that such Placee then has any interest in or rights in respect of any such shares, (3) the Company or, as applicable, Peel Hunt may sell all or any of such shares on such Placee's behalf and then retain from the proceeds, for the account and benefit of the Company or, where applicable, Peel Hunt (i) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares, (ii) any amount required to cover any stamp duty or stamp duty reserve tax arising on the sale, and (iii) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale, and (4) the Placee will remain liable to the Company and to Peel Hunt for the full amount of any losses and of any costs which it may suffer or incur as a result of it (i) not receiving payment in full for such Placing Shares by the required time, and/or (ii) the sale of any such Placing Shares to any other person at whatever price and on whatever terms are actually obtained for such sale by or for it. Interest may be charged in respect of payments not received by Peel Hunt for value by the required time referred to above at the rate of two percentage points above the base rate of Barclays Bank plc.

## **7 Overseas jurisdictions**

The distribution of this document and/or the offering of Placing Shares in certain jurisdictions is restricted by law. Persons who seek to participate in the Placing must inform themselves about and observe any such restrictions. In particular, this document does not constitute or form part of any offer or invitation, nor a solicitation of any offer or invitation, to subscribe for or acquire or sell or purchase or otherwise deal in Ordinary Shares in the United States, Canada, Japan or Australia or in any other jurisdiction in which any such offer, invitation or solicitation is or would be unlawful. The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended, or under the securities laws of any State of or other jurisdiction within the United States, and, subject to certain exceptions, may not be offered or sold, resold or delivered, directly or indirectly, in or into the United States, or to, or for the account or benefit of, any US persons (as defined in Regulation S under that Act).

## APPENDIX II

### TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

#### 1 Introduction

This Appendix sets out the main terms that apply to the making of applications for Ordinary Shares under the Offer for Subscription. Additional terms relating to the completion and submission of Application Forms are set out in Appendix III.

In addition to completing and returning the Application Form to Capita Asset Services, you will also need to complete and return a Tax Residency Self Certification Form. The “individual an individual making an application under the Offer for Subscription residency self-certification – sole holding” form can be found at the end of this Prospectus and further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita 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 that form is provided with the Offer for Subscription Application Form before any application can be accepted.

In this Appendix (i) “**application**” means an application to subscribe for Ordinary Shares using an Application Form, (ii) “*Application Form*” means an application form in the form at Appendix III, (iii) “**Application Terms**” means all the terms set out in this Appendix and Appendix III, (iv) the “**Long Stop Date**” means 31 October 2017, (v) “**Prospectus**” means this document, (vi) “**you**” means a person who makes an application, (vii) other terms defined in Part XII: “*Definitions*” of this Prospectus have the meanings given to them in that Part, and (viii) references to the Company taking any action or making any decision include TPL or the Receiving Agent doing so on the Company’s behalf.

#### 2 Eligibility

Persons who are resident in the United Kingdom for taxation purposes may apply to subscribe for Ordinary Shares under the Offer for Subscription. No one else is eligible to make an application under the Offer for Subscription (unless expressly agreed otherwise in writing by the Company with the person concerned before that person makes an application).

#### 3 Applications for Ordinary Shares

Applications for Ordinary Shares under the Offer for Subscription must be made using an Application Form. The price to be paid for each Ordinary Shares is £1.00. An application must be for a minimum number of 1,000 Ordinary Shares with an aggregate value of £1,000 at the subscription price of £1.00 (in this Appendix, the “**Subscription Price**”). If an application is for a larger number of Ordinary Shares, the number must be a multiple of 100. A person may only make one application for Ordinary Shares under the Offer for Subscription.

An Application Form must be completed in accordance with the instructions printed on it. Completed Application Forms, together with payment, must be returned so as to be received by post or by hand (during normal business hours) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 1.00 p.m. on 14 September 2017. An Application Form which is sent by post or delivered by hand (as described above) will be treated as having been received only when it is received by the Receiving Agent.

An application can be accepted, at TPL’s discretion, for the total number of Ordinary Shares inserted in Box 1 of the Application Form or for any smaller number that is a multiple of 100. Acceptance will create a

contract on the Application Terms between the applicant and the Company for the applicant's subscription for the relevant number of Ordinary Shares. If TPL decides that an application is to be accepted, TPL's notification to the Receiving Agent of its decision will constitute the Company's acceptance of that application. The Company is not obliged to accept any application or to allocate Ordinary Shares to applicants in proportion to the number of Ordinary Shares applied for.

The Company reserves the right (i) to treat as valid any application not complying fully with the Application Terms, (ii) to waive any Application Term (except for some conditions referred to in section 3 below) in whole or in part and either generally or in respect of one or more applications, (iii) to have cheques presented for payment on receipt by the Receiving Agent and (iv) to retain documents of title and surplus application monies pending clearance of successful applicants' cheques. If the cheque accompanying an application is not honoured on first presentation the Company may require an applicant to pay interest at the rate of two percentage points above the base rate of Barclays Bank plc from the date of Admission until the date of receipt of cleared funds and to pay the Company's other resulting costs.

If any application is not accepted, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest in Sterling by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto within 14 days.

#### **4 Conditions**

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional on (i) Peel Hunt's obligations under the Placing and Offer Agreement not being terminated in accordance with its terms, (ii) Admission taking place not later than 8.00 a.m. on 20 September 2017 and (iii) the Placing and Offer Agreement becoming unconditional in all other respects.

Peel Hunt may extend the time and/or date for the fulfilment of any condition in the Placing and Offer Agreement to no later than 5.00 p.m. on the Long Stop Date. If any such condition is not fulfilled (and, if capable of waiver, is not waived by Peel Hunt) by the relevant time, no Ordinary Shares will be issued under the Offer for Subscription.

Peel Hunt may terminate its obligations under the Placing and Offer Agreement prior to Admission in certain circumstances including, among other things, following a material breach of the Placing and Offer Agreement by the Company or TPL or following the occurrence of certain *force majeure* events. The exercise of any right of termination pursuant to the Placing and Offer Agreement, any waiver of any condition in it and any decision by Peel Hunt whether or not to extend the time for satisfaction of any such condition will be in Peel Hunt's absolute discretion. Peel Hunt will have no liability to any applicant under the Offer for Subscription or to anyone else in respect of any such termination, waiver or extension or any decision to exercise or not to exercise any such right of termination, waiver or extension.

#### **5 Applicant's confirmations**

You, by submitting a completed Application Form or by having it submitted on your behalf, will acknowledge and confirm and warrant to each of the Company, G10, TPL, Peel Hunt and the Receiving Agent as a term of your application that:

- (a) you apply to subscribe for the number of Ordinary Shares specified in your Application Form (or such lesser number for which your application is accepted) at the Issue Price;
- (b) the text in this Appendix and in Appendix III comprises the Application Terms on which your application under the previous paragraph is made;
- (c) (i) you are resident for the purposes of taxation in the United Kingdom (unless expressly agreed otherwise in writing by the Company with you before you make your application) and, if you are an individual, are aged at least 18, (ii) your application is the only application that you have made under the Offer for Subscription and (iii) all factual information inserted by or for you into your Application Form is correct;

- (d) (i) you will pay the full cash amount at the Issue Price as and when required in respect of all Ordinary Shares allocated to you in respect of your application and (ii) the remittance accompanying your Application Form will be honoured on first presentation;
- (e) you consent to (i) the processing by any of the Company, the Receiving Agent and the Company's registrars of your personal data that it obtains as a consequence of your application or you becoming a holder of Ordinary Shares and (ii) each of the Company, the Receiving Agent and the Company's registrars sharing such personal data with others in the ordinary course of business for purposes that they consider to be proper and appropriate;
- (f) (i) the contents of this document are the responsibility only of the Company and of those other persons who are stated in it as having accepted responsibility for such contents (being the Directors and TPL), and of no one else, and (ii) their responsibility for such contents is as stated in paragraph 1 of Part XI: "*Additional Information*" of this Prospectus headed "Responsibility statement";
- (g) you have not been, and will not be, given any warranty or representation in relation to any Ordinary Shares or the Company or any other Group member or the contents of this document or otherwise in connection with the Offer for Subscription other than (i) by the Directors, TPL and the Company as set out in the "Responsibility statement" referred to in the previous paragraph, or (ii) in relation to the contents of any supplementary prospectus that may be published in respect of this document, as stated in such supplementary prospectus;
- (h) (i) you have not relied on any representation or warranty in reaching your decision to acquire Ordinary Shares under the Offer for Subscription, save as given or made by the Directors or TPL or the Company as referred to in the previous paragraph, and in reaching such decision you have had a proper and sufficient opportunity to consider and fully take into account all the information in this document, (ii) you have not been, and will not be, given any warranty or representation by any Peel Hunt Person in relation to any Ordinary Shares, the Company or any other Group member or the contents of this document, and (iii) no Peel Hunt Person will have any liability to you for any information in this document or which is to be or has been published by the Company or G10 or TPL or for your decision to apply under the Offer for Subscription based on any such information or on any other information provided to you;
- (i) (i) you have complied and will comply with all applicable laws and regulations (collectively "**applicable law**") in relation to your application and any resulting subscription by you for Ordinary Shares such as (where relevant) the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007, (ii) if you are required to obtain a consent for the purpose of or as a consequence of such acquisition from any authority or person, you have done so, (iii) you will disclose promptly in writing to the Receiving Agent such information as it may request (including, for example, for the purposes of complying with the UK Money Laundering Regulations 2007) in connection with your application, and (iv) the Receiving Agent may disclose any information obtained by it from or concerning you in connection with the Offer for Subscription or in relation to your application to other persons as it considers necessary or appropriate;
- (j) (i) you have not taken any action and will not take any action in relation to the Offer for Subscription that contravenes or would contravene applicable law, (ii) you have not omitted and will not omit to do anything which has resulted or would result in such a contravention, and (iii) neither your application nor your acquisition of Ordinary Shares will contravene applicable law or cause the Company to contravene applicable law;
- (k) (i) your obligations in respect of your application and, if your application is accepted, your rights under the Offer for Subscription will terminate only in the circumstances referred to in this Appendix and will not be subject to rescission or termination by you in any circumstances other than by you exercising a statutory right of withdrawal under section 87Q(4) of FSMA following publication of a supplementary prospectus, in which case the supplementary prospectus would explain how you could exercise that right (the "**statutory withdrawal right**"), and (ii) your application cannot be revoked

once it has been accepted in whole or in part other than by exercising, where applicable, the statutory withdrawal right;

- (l) (i) your application can not be revoked before its acceptance by the Company until the Long Stop Date (other than by you exercising, where applicable, the statutory withdrawal right referred to in the previous paragraph) and (ii) the Company has promised to you, in consideration for you making your application (creating a collateral contract between you and the Company with effect on the Receiving Agent's receipt of your Application Form), that prior to the Long Stop Date the Company will not make any Ordinary Shares available for subscription to anyone other than under the Placing or through the Offer for Subscription or pursuant to any other arrangement described in this document;
- (m) (i) you are not, and are not acting in relation to the Offer for Subscription as nominee or agent for, a person who is or may be liable to stamp duty or stamp duty reserve tax in respect of any agreement to acquire (or any acquisition of) shares or other securities admitted to trading on the London Stock Exchange's main market at a rate in excess of 0.5 per cent. (ii) neither the Company nor any of the Company's advisers or agents referred to in this document will be responsible to you or anyone else for any liability that you may have to pay stamp duty or stamp duty reserve tax in respect of your acquisition of Ordinary Shares or any arrangements you may make or enter into relating to any such shares, and (iii) you are not a client of Peel Hunt or G10 or TPL in relation to the Placing and neither Peel Hunt nor G10 nor TPL is acting for you in connection with the Placing or will be responsible to you in respect of the Placing for providing protections afforded to their clients;
- (n) if your Application Form has been signed by someone else on your behalf, the Application Form is accompanied by the original of the relevant power of attorney or other authority pursuant to which it was signed (or a complete copy certified by a solicitor or a bank) or, if that is not the case, on request you will promptly provide such a document to the Receiving Agent;
- (o) if your application is accepted (in whole or in part):
  - (i) you may not be provided with any Ordinary Shares allocated to you in respect of your application pending (i) clearance of your remittance or (ii) completion of any investigation of a suspected breach on your part of the Application Terms or (iii) completion of any identify verification process which the Receiving Agent considers is or may be required or appropriate in relation to your application for the purposes of the UK Money Laundering Regulations 2007;
  - (ii) if, following the Receiving Agent's request (whenever made) to you to provide evidence of identity by a stipulated time, evidence of identity to the Receiving Agent's satisfaction is not provided by such time, the Company may terminate any obligation it would otherwise have to allocate to you or to issue you with Ordinary Shares in respect of your application, in which case any Ordinary Shares previously allocated to you may be re-allocated to someone else and your application monies will be returned to the bank or other account on which the cheque or other remittance accompanying the application was drawn without interest; and
  - (iii) some or all of the Ordinary Shares to be issued in respect of your application may at the Receiving Agent's discretion be issued in certificated form, evidenced by share certificates, even if you have requested that they be issued in uncertificated form through CREST;
- (p) you authorise the Receiving Agent:
  - (i) to procure that the appropriate CREST account specified in your Application Form (where applicable) be credited with Ordinary Shares in respect of which your application is accepted;
  - (ii) to send definitive certificates in respect of Ordinary Shares for which your application is accepted, other than those shares that are credited to a CREST account, by post to your address as set out in your Application Form; and

- (iii) to send a cheque crossed “account payee” drawn on a branch of a UK clearing bank for any monies (without interest) returnable in respect of your application, or the remittance that accompanied your Application Form, by post to your address referred to immediately above;
- (q) if the remittance accompanying your Application is not honoured on first presentation (i) you will not acquire any right to receive in respect of your application any Ordinary Shares unless and until you make payment in cleared funds for them and such payment is accepted by the Receiving Agent, (ii) you will indemnify the Company against all costs, damages, losses, expenses and liabilities arising out of or in connection with your remittance not being honoured on first presentation, (iii) you will pay interest to the Company at the rate stated earlier in this Appendix on the outstanding amount for the period it is outstanding from the date of Admission and (iv) the Company may terminate any obligation it would otherwise have to allocate or issue Ordinary Shares to you in respect of your application, without any liability to you, and may re-allocate any Ordinary Shares previously allocated to you to anyone else, in which case you will not be entitled to any payment from the Company in respect of any such shares or their re-allocation;
- (r) the Company may rectify at your cost any error in its register of members arising as a result of your remittance not being honoured on first presentation or any other error in connection with your application or the termination of any entitlement you would otherwise have to Ordinary Shares under the Offer for Subscription, for which purposes the Company or any person appointed by it may execute on your behalf any instrument of transfer which may be necessary or appropriate to effect any re-allocation or transfer of Ordinary Shares from you to another person selected by the Company to receive them;
- (s) any officer or employee of the Company or G10 or the Receiving Agent may, as your agent, execute and deliver to the Company and/or the Company’s registrars any documents and take such other action on your behalf as the Company or G10 or the Receiving Agent considers necessary or appropriate to enable any Ordinary Shares allocated to you to be registered in accordance with your instructions or otherwise in accordance with this Appendix or any other provisions in this document;
- (t) (i) each right or remedy of the Company or Peel Hunt or G10 or TPL or the Receiving Agent in relation to your application or any subsequent subscription of Ordinary Shares by you under the Offer for Subscription provided for in this document is in addition to any other right or remedy which is available to such person, (ii) the exercise of any such right or remedy in whole or in part will not preclude the subsequent exercise of any such right or remedy, (iii) all rights and powers of Peel Hunt under the Placing and Offer Agreement and all other rights and powers of Peel Hunt referred to in this Appendix or elsewhere in this document are exercisable by Peel Hunt (unless stated otherwise) at its absolute discretion, and (iv) all rights and powers of the Company, G10, TPL and the Receiving Agent referred to in this Appendix or elsewhere in this document in relation to applications are exercisable by it (unless stated otherwise) at its absolute discretion;
- (u) (i) any document that is to be sent to you in connection with the Offer for Subscription will be sent at your risk and may be sent by post to you at any address provided by you to the Company or the Receiving Agent, (ii) nothing in this Appendix or elsewhere in this document will exclude any liability of any person for fraud on its part, and (iii) all times and dates relating to the Offer for Subscription referred to in this Appendix are subject to amendment by the Company, with Peel Hunt’s agreement, except that in no circumstances will the date scheduled for Admission be later than the Long Stop Date; and
- (v) this Appendix and any contract which may be entered into between you and the Company pursuant to this Appendix or the Offer for Subscription, and all non-contractual obligations arising between you and the Company and/or the Receiving Agent and/or G10 and/or TPL and/or Peel Hunt in respect of the Offer for Subscription, will be governed by and construed in accordance with the laws of England, for which purpose you submit to the exclusive jurisdiction of the English courts as regards any claim, dispute, or matter arising out of or relating to the Offer for Subscription or this Appendix or such contract, except that each of the Company, G10, TPL and the Receiving Agent and Peel Hunt will

have the right to bring enforcement proceedings anywhere else it considers doing so to be appropriate in respect of a judgement obtained by it against you in the English courts;

## **6 Money Laundering**

You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2007, the Receiving Agent may at its absolute discretion require, and you will provide, evidence which is satisfactory to it to establish your identity or that of any person on whose behalf you are acting and/or your status. Without prejudice to the generality of the foregoing such evidence may be required if you either:

- (a) tender payment by way of banker's draft or cheque or money order drawn on an account in the name of another person or persons (in which case verification of your identity may be required); or
- (b) appear to the Receiving Agent to be acting on behalf of some other person (in which case verification of identity of any persons on whose behalf you appear to be acting may be required).

Failure to provide the necessary evidence of identity (in a manner satisfactory to the Company and its agents, including in respect of the manner of its certification) may result in application(s) being rejected or delays in the authorisation of documents.

Without prejudice to the generality of this paragraph 6, verification of the identity of applicants may be required if the total subscription price of the Ordinary Shares applied for, whether in one or more applications, exceeds £10,000. If, in such circumstances, you use a building society cheque, banker's draft or money order, you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and add its stamp. If in such circumstances, you use a cheque drawn by a third party, you may be requested to provide a copy of your passport or driving licence certified by a solicitor or a recent original bank or building society statement or utility bill in your name and showing your current address (which originals will be returned by post at the applicant's risk).

## **7 Overseas territories**

No person receiving a copy of this document or an Application Form anywhere outside the United Kingdom may treat it as constituting an invitation or offer to him nor (other than with the Company's prior written agreement) should he in any event use such Application Form.

## **8 Allocations**

The basis for allocating Ordinary Shares to applications under the Offer for Subscription will be determined at the sole discretion of the Company, after consultation with Peel Hunt and TPL. The Company reserves the right, notwithstanding such basis, to reject any application in whole in or in part or to reduce the number of Ordinary Shares allocated to any application.

## APPENDIX III

### EXPLANATORY NOTES TO APPLICATION FORM

Applications should be returned so as to be received by 1.00 p.m. on 14 September 2017. All Applicants should read notes 1-5. *Note 6 should be read by Joint Applicants.*

In addition to completing and returning the Application Form to Capita Asset Services, an individual making an application under the Offer for Subscription 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 Prospectus and further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita 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 that form is provided with the Offer for Subscription Application Form before any application can be accepted.**

#### 1 Application

Fill in (in figures) the aggregate subscription price for which your application is made. Your application must be for Ordinary Shares with a minimum aggregate subscription price of £1,000 or, if for more than £1,000, in multiples of £100.

#### 2 Personal Details

Fill in (in block capitals) the full name, address and daytime telephone number of the applicant. If this application is being made jointly with other persons, please read Note 6 before completing Box 2.

#### 3 Signature

The applicant named in Box 2 must date and sign Box 3.

The Application Form may be signed by another person on your behalf 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. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

#### 4 Cheque/Banker's Draft Details

Attach a cheque or banker's draft for the exact amount shown in Box 1 to your completed Application Form. Your cheque or banker's draft must be made payable to “Capita Registrars LTD re: Warehouse REIT plc – Offer for Subscription 2017” and crossed “a/c Payee”.

Your payment must relate solely to this application. No receipt will be issued.

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 building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or 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 a sole or joint title to the funds, should be made payable to “Capita Registrars LTD re: Warehouse REIT plc – Offer for Subscription 2017”. Third party cheques will 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 cheque/bankers' draft to such effect.

The account name should be the same as that shown on the application.

Applications with a value of £10,000 or greater, which are to be settled by way of a third party payment, e.g. banker's draft, building society cheque or a cheque drawn by someone other than the applicant, will be subject to the United Kingdom's verification of identity requirements which are contained in the Money Laundering Regulations 2007. In order to ensure compliance with the CDD Rules, the Company (or any of its agents) may require at its absolute discretion such evidence in respect of any application which is satisfactory to it to establish your identity or that of any person on whose behalf you are acting and/or your status.

For UK applicants, this may involve verification of names and addresses (only) through a reputable agency. For non-UK applicants, verification of identity may be sought from your bankers or from another reputable institution or professional adviser in the applicant's country of residence.

If satisfactory evidence of identity has not been obtained within a reasonable time, and in any event (unless the Offer for Subscription 2017 is extended) by 1.00 p.m. on 14 September 2017, your application may not be accepted.

Certificates, cheques and other correspondence will be sent to the address in Box 2.

## **5 Shares in Uncertificated Form (CREST)**

If you wish your Ordinary Shares to be issued in uncertificated form you should complete the Application Form as above and must also complete Box 5.

## **6 Joint Applicants**

If you make a joint application, you will not be able to transfer your Ordinary Shares into an ISA. If you are interested in transferring your Ordinary Shares into an ISA, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Boxes 2 and 3 must be completed by one applicant. All other persons who wish to join in the application must complete and sign Box 6.

Another person may sign on behalf of any joint applicant if that other 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.

Certificates, cheques and other correspondence will be sent to the address in Box 2.

## **7 Verification of Identity**

Section 7 of the Application Form applies if the aggregate value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £10,000 or the Company (or any of its agents), at its absolute discretion, deems it necessary to apply in order to ensure compliance with the CDD Rules. If section 7 applies to your application, you must ensure that section 7.1, 7.2 or 7.3 (as appropriate) is completed.

### **7.1 Professional Adviser or Intermediary**

You should complete section 7.1 of the Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

### **7.2 Reliable Introducer**

If you are not a professional adviser or intermediary and the value of your application(s) exceed(s) £10,000 or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules, you will be required to provide the verification of identity documents listed in section 7.3 of the Application Form unless you can have the declaration set out in

section 7.2 of the Application Form given and signed by a firm acceptable to the Receiving Agent and the Company. Section 7.2 of the Application Form details those firms acceptable to the Receiving Agent and the Company for signing the declaration. In order to ensure their Application Forms are processed timely and efficiently, all applicants who are not professional advisers or intermediaries and to whose applications section 7 of the Application Form applies are strongly advised to have the declaration set out in section 7.2 of the Application Form completed and signed by a suitable firm where possible.

### **7.3 *Applicant Identity Information***

Section 7.3 of the Application Form need only be completed where the aggregate value of the Ordinary Shares which you are applying for, exceeds £10,000 or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules and neither sections 7.1 nor 7.2 of the Application Form can be completed.

Notwithstanding that the declaration set out in section 7.2 of the Application Form has been completed and signed, the Receiving Agent and the Company reserve the right to request of you the identity documents listed in section 7.3 of the Application Form and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application might be rejected or revoked.

Where certified copies of documents are requested in section 7.3 of the Application Form, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

### ***Instructions for Delivery of Completed Application Forms***

Completed Application Forms should be returned, by post or by hand (during normal business hours) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 1.00 p.m. on 14 September 2017, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least four Business Days for delivery. Application Forms received after this date may be returned.

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# APPLICATION FORM

## WAREHOUSE REIT PLC

Please send the completed form by post to or delivered by hand (during normal business hours) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 1:00 p.m. on 14 September 2017.

**Important – Before completing this form, you should read the accompanying notes.**

ALL APPLICANTS MUST COMPLETE BOXES 1 TO 3 (SEE NOTES 1-6 OF THE NOTES ON HOW TO COMPLETE THIS APPLICATION FORM).

If you have a query concerning completion of this Application Form please call Capita 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 Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### 1. Application

I/We offer to subscribe for:

£
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of new Ordinary Shares (minimum £1,000 and thereafter in multiples of £100) fully paid, at £1.00 per new Ordinary Share on the terms, and subject to the conditions set out in the Prospectus dated 23 August 2017 (including the Terms and Conditions of Application contained therein), the guidance notes accompanying this Application Form, and the memorandum of association and the Articles respectively, and attach a cheque or banker's draft for the amount payable.

### 2. Personal Details (PLEASE USE BLOCK CAPITALS)

I/We offer to subscribe for:

Mr, Mrs, Ms or Title	Forenames (in full)
Surname	
Address (in full)	
Postcode	Daytime telephone no
Date of Birth	

Mr, Mrs, Ms or Title	Forenames (in full)
Surname	
Address (in full)	
Postcode	Daytime telephone no
Date of Birth	



Mr, Mrs, Ms or Title	Forenames (in full)
Surname	
Address (in full)	
Postcode	Daytime telephone no
	Date of Birth

Mr, Mrs, Ms or Title	Forenames (in full)
Surname	
Address (in full)	
Postcode	Daytime telephone no
	Date of Birth

**3. SIGNATURE**

I/We hereby confirm that I/we have read the Prospectus and make this application on and subject to the Terms and Conditions of Application set out in the Prospectus.

Signature	Dated	2017
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**4. Cheque/Banker's Draft Details**

Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Capita Registrars Ltd re Warehouse REIT plc – Offer for Subscription 2017" and crossed "a/c Payee".

**5. Shares in Uncertified Form (CREST)**

Complete this section only if you require your Ordinary Shares to be credited to your CREST account.

CREST Participant ID:  
(no more than five characters)

CREST Member Account ID:  
(no more than eight characters)

CREST Participant's Name

BOX 6 MUST ONLY BE COMPLETED BY JOINT APPLICANTS (SEE NOTE 6).

**6. Joint Applicants (PLEASE USE BLOCK CAPITALS)**

Complete this section only if you require your Ordinary Shares to be credited to your CREST account.

Mr, Mrs, Ms or Title	Forenames (in full)	Surname	Signature

Intermediary name, if applicable	Intermediary stamp, if applicable
Contact tel. no:	FSA No:

**7. Verification of Identity (if the value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds £10,000 or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules, you must ensure that section 7.1, 7.2 or 7.3 (as appropriate) is completed.**

**7.1 Professional Advisers and Intermediaries** *(This section 7.1 should be completed if an application for Ordinary Shares is being made on behalf of a client by a stockbroker, bank manager, solicitor, accountant or other independent financial adviser under the Financial Services and Markets Act 2000.*

<i>(Name of professional adviser or intermediary, in full)</i>	
<i>(Address, in full)</i>	
	<i>(Post code)</i>
<i>(Contact name)</i>	<i>(Telephone number)</i>



Declaration by the professional adviser or intermediary

To: Warehouse REIT plc

We are a financial adviser authorised under the Financial Services and Markets Act 2000 applying for Ordinary Shares on behalf of one or more clients (“relevant clients”). As such, we hereby undertake to:

1. complete anti-money laundering verification of all relevant clients and to inform you of any unsatisfactory conclusion in respect of any such client;
2. keep records to verify the name, identity, place of birth, residential address, occupation and signature of each relevant client; and
3. supply copies of any such records to you as you may require.

We are governed in the conduct of our investment business and in respect of conducting anti-money laundering verification by the following regulatory or professional body (and our reference or other official number allocated to us by that body is included in the box below).

<i>(Full name and country of operation of regulatory or professional body)</i>	
	<i>(Reference of other official number)</i>

If you require further information about our procedures or any of our relevant clients, please contact the person named as the contact in the first box in this section 7.1.

7.2 **Reliable Introducer** *(If you are not a professional adviser or intermediary to whom section 7.1 applies, completion and signing of declaration in this section 7.2 by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 7.3 of this form)*

*(The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “firm”) which is itself subject in its own country to operation of “know your customer” and anti-money laundering regulations which are, in the opinion of the Company in its absolute discretion, no less stringent than those which prevail in the United Kingdom).*

Declaration by the firm

To: Warehouse REIT plc

With reference to the applicant(s) detailed in section(s) 2 and, in the case of joint applicants, 6 above, all persons signing sections 3 and 6 above and the payor identified in section 4 above if not also an applicant holder (collectively the “relevant persons”), we hereby declare that:

1. we operate in \_\_\_\_\_ and our firm is subject to anti-money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the relevant persons is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential/business address(es) of the applicant(s) named in section(s) 2 and, in the case of joint applicants, 6 above and, if details of a CREST account are included in section 5 above, that the owner thereof is the applicant named in section 2 above;

5. having regard to all local anti-money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares to which this application relates; and
6. where the payor and applicant(s) are different persons we are satisfied as to the relationship between them and the reason for the payor being different from the applicant(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of the firm of its officials.

(Date)	2017	(Official stamp, if any)
(Signature)		
(Full name)		
(Title/position)		

having authority to bind the firm, the details of which are set out below:

(Name of firm, in full)	
(Address, in full)	
	(Post code)
(Contact name)	(Telephone number)

(Full name of firm's regulatory authority)	
(Website address or telephone number of regulatory authority)	(Firm's registered, licence or other official number)

- 7.3 Applicant Identity Information** (Only complete this section 7.3 if your application has a value greater than £10,000 and neither of sections 7.1 and 7.2 can be completed) (or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules).

*In accordance with internationally recognised standards for the prevention of money laundering, the relevant documents and information listed below must be provided (please note that the Receiving Agent and the Company reserve the right to ask for additional documents and information).*



		Tick here for documents provided				
		Applicant				Payor
		1	2	3	4	
<b>A.</b>	<b>For each applicant who is an individual enclose:</b>					
(i)	a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: (a) current passport; (b) Government or Armed Forces identity card; or (c) driving licence; <b>and</b>					
(ii)	certified copies of at least two of the following documents which purport to confirm that the address(es) given in section 2 and, in the case of joint applicants, section 6 is the applicant's residential address: (a) a recent gas, electricity, water or telephone (not mobile) bill; (b) a recent bank statement; (c) a council tax bill; or (d) similar bill issued by a recognised authority; <b>and</b>					
(iii)	if none of the above documents show their date and place of birth, enclose a note of such information; <b>and</b>					
(iv)	details of the name and address of their personal bankers from which the Receiving Agent or the Company may request a reference, if necessary.					
<b>B.</b>	<b>For each holder being a company (a "holder company") enclose:</b>					
(i)	a certified copy of the certificate of incorporation of the holder company; <b>and</b>					
(ii)	the name and address of the holder company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; <b>and</b>					
(iii)	a statement as to the nature of the holder company's business, signed by a director; <b>and</b>					
(iv)	a list of the names and residential addresses of each director of the holder company; <b>and</b>					
(v)	for each director provide documents and information similar to that mentioned in A above; <b>and</b>					
(vi)	a copy of the authorised signatory list for the holder company; <b>and</b>					
(vii)	a list of the names and residential/registered addresses of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also enclose the documents and information referred to in C below and, if another company is named (a "beneficiary company"). also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.					

		<i>Tick here for documents provided</i>				
		<i>Applicant</i>				<i>Payor</i>
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	
<b>C.</b>	<b>For each individual named in 8(vii) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(i) to (iv)</b>					
<b>D.</b>	<b>For each beneficiary company named in 8(vii) as a beneficial owner of a holder company enclose:</b>					
(i)	a certificated copy of the certificate of incorporation of that beneficiary company; <b>and</b>					
(ii)	a statement as to the nature of that beneficiary company's business signed by a director; <b>and</b>					
(iii)	details of the name and address of their personal bankers from which the Receiving Agent or the Company may request a reference, if necessary; <b>and</b>					
(iv)	enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.					
<b>E.</b>	<b>If the payor is not an applicant and is not a bank providing its own cheque or banker's draft on the reverse of which is shown details of the account being debited with such payment (see note 4 on how to complete this form) enclose:</b>					
(i)	if the payor is a person, for that person the documents mentioned in A(i) to (iv); <b>or</b>					
(ii)	if the payor is a company, for that person the documents mentioned in B(i) to (vii); <b>and</b>					
(iii)	an explanation of the relationship between the payor and the applicant(s).					



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**Self-Certification Tax Residency Form (Individuals)**

Name of Company in which shares are held:	WAREHOUSE REIT PLC	
<b>Investor code</b> <i>e.g. 00000999999 This can be found on your share certificate or tax voucher</i>		
<b>Part 1 – Identification of Individual Shareholder</b> <i>A separate form is required for each holder</i>		
Name of Holder:		
Address of Holder:		
<b>A. Please provide your Tax Residence Address – If different from above</b>		
Address: <i>Include your Postal or ZIP Code &amp; Country:</i>		
<b>B. Date of Birth</b> <i>(DD/MM/YYYY)</i>		
<b>Part 2 – Country/Countries of Residence for Tax Purposes</b>		
<b>Country of residence for tax purposes</b>	<b>Tax Identification Number</b> <i>In the UK this would be your NI number</i>	
<b>1</b>	<b>1</b>	
<b>2</b>	<b>2</b>	
<b>3</b>	<b>3</b>	
<b>4</b>	<b>4</b>	
<b>Part 2b – US Person</b> Please mark the box ONLY if you are a US Person (see Definitions) <input type="checkbox"/>		
<b>Part 3 – Declarations and Signature</b>		
<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 am authorised to sign for the shareholder).</p> <p>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>		
<b>Signature:</b>		
<b>Print Name:</b>		
<b>Date:</b>		
<b>Daytime telephone number/email address:</b>		

*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 their 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 address (or name) has changed from that shown on the form, 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 that/those 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 Capita holds the shares on your behalf, the person whose name appears on the register of entitlement that Capita 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 Person”**

- 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.
- You are a ‘tax resident’ of the United States. You can become a tax resident under two rules: 1) The ‘substantial presence test’. This is a ‘day count test and based on the number of days you are in the US over a three year period and 2) The ‘green card’ test. A person who has obtained a ‘green card’ has been granted the right to lawful permanent residence in the United States.

**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.**

