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Warehouse REIT PLC

05 February 2021



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PLEASE SEE THE IMPORTANT NOTICES AT THE END OF THIS ANNOUNCEMENT.

5 February 2021

Warehouse REIT plc

(the "Company" or "Warehouse REIT" and together with its subsidiaries the "Group")

Proposed Placing to raise up to £45.9 million to help fund acquisitions

Warehouse REIT, the AIM-listed company that invests in e-commerce urban and last-mile industrial warehouse assets in the UK, announces a placing to raise gross proceeds of up to £45.9 million through the issue of up to 37,934,400 new ordinary shares (the "Placing Shares") at a price of 121.0 pence per Placing Share (the "Placing Price") (the "Placing").

The Placing proceeds, together with the Group's existing facilities, will be used to help finance the acquisition of two adjacent distribution warehouses in Harlow for £13.9 million (including costs) and two further assets, which are under offer, as described below.

Highlights

- Demand for warehouse space is coming from an increasingly diversified occupier base, many of whom are businesses responding to structural changes in their markets driven by the growth in e-commerce, with the current COVID-19 pandemic accelerating this trend.
- This diversified occupier base competes for the same well-located buildings close to conurbations and transport infrastructure. The investment adviser to Warehouse REIT, Tilstone Partners Limited ("TPL"), believes that modern purpose-built assets with these attributes will outperform wider rental growth forecasts.
- Despite increasing investor appetite for industrial exposure, the Company continues to benefit from the strength of its UK wide origination capability and is pleased to report the following progress on investment activity:
 - The Group has acquired (as announced today) two reversionary freehold distribution units in Harlow, in the south-east of England, for £13.9 million (including costs), reflecting a Net Initial Yield ("NIY") of 8.6%.
 - The Group has under offer two further purpose built modern multi-let warehouse estates located in two separate premier UK business locations,

both being in very close proximity to key transportation hubs, for an aggregate consideration of £43.5 million (including costs) reflecting a blended NIY of 5.6%.

- The combined consideration of these three transactions (the "Acquisitions") equates to £57.4 million (including costs) to give a blended NIY of 6.3%.
- Since July 2020, the Group has completed on £162.0 million of acquisitions totalling 1.8 million sq ft and taking the portfolio to approximately 7.9 million sq ft.
- The Group has an attractive pipeline of further near-term acquisition opportunities which amounts to £263.3 million to give a blended NIY of 5.9% (when combined with the above mentioned £57.4 million of acquisitions).
- Since 1 October 2020, the Group has completed 19 new lettings at 6.9% ahead of 30 September ERVs and 24 lease renewals at 5.6% above previous rent, across 0.2 million sq ft of space, generating £1.5 million per annum of contracted rent.
- For the financial year ending 31 March 2021, the Group has now received 96% of rents due, which is expected to increase further over the quarter.
- Proposed Placing to raise up to £45.9 million of gross proceeds at a Placing Price of 121.0 pence per Placing Share the proceeds of which will be used, together with the Company's existing facilities, to fund the Acquisitions.
- Investors participating in the Placing will be eligible for the third quarterly dividend of 1.55 pence per share, which was declared on 26 January 2021 and is payable on 1 April 2021 to Shareholders on the register on 5 March 2021.
- The Company has commenced the process of applying to the Financial Conduct Authority ("FCA") for the Company's issued share capital to be admitted to the Premium Segment of the Official List and to trading on the Main Market of the London Stock Exchange ("LSE") and hopes to conclude the process during its interim financial period ending 30 September 2021 (subject to FCA approval).

Andrew Bird, Managing Director of Tilstone Partners Limited, commented:

"We are seeing unprecedented demand for modern, fit-for purpose warehouse space in economically relevant locations, underpinned by e-commerce growth which has accelerated as businesses of all size look to adapt and future proof their operations. Having committed to an investment strategy founded on this evolution back in 2013, the Company has been able to amass a portfolio of scale, delivering both rental and capital growth even against the backdrop of the current pandemic, allowing for the generation of significant returns for shareholders.

"Despite increasing competition for exposure to what has been a standout performing asset class, a combination of our on the ground intelligence and deep relationships and a wide pool of motivated sellers has seen the Company deploy the proceeds from last year's capital raise on schedule and into highly attractive opportunities, offering both strong day one income and longer-term asset management opportunities. Having identified a sizeable pipeline at what we believe is favourable pricing and which will be immediately accretive, we look forward, with shareholder support, to building on this momentum."

Background to the Acquisitions

TPL continues to believe that demand for warehouse space in strong locations across the UK is outstripping supply. Businesses are responding to structural changes in their markets driven by the growth of e-commerce. The acceleration in this trend has been driven by the current Covid-19 pandemic and has resulted in an increasing need for last-

mile logistics space to allow businesses to rationalise their supply chains and successfully serve their customers.

In addition, whilst the market for industrial real estate assets remains competitive, the Group continues to have two key advantages. Firstly, the strength of the Group's balance sheet provides vendors with a confidence that the Group will execute transactions without delay. Secondly, TPL's depth of experience of buying and letting commercial properties throughout the UK and its strong relationships with key participants operating in the warehouse sector means the Group continues to benefit from an attractive pipeline of acquisition opportunities, a proportion of which are sourced off-market, from both private and institutional vendors.

Details of the Acquisitions

The Group today announced the acquisition of two adjacent distribution warehouses in Harlow, totalling 177,000 sq ft, for a consideration of £13.9 million (including costs) reflecting a NIY of 8.6%. Situated in the heart of the established Templefields industrial area, Harlow's premier industrial and distribution location, the property comprises two units of 115,000 sq ft and 62,000 sq ft respectively. It generates £1.2 million of contracted rent per annum which equates to a low passing rent of £6.72 per sq ft, offering significant potential for rental growth. The larger unit is let to the UK subsidiary of a global beauty & cosmetics company, with over 4 years remaining on the lease, and reflecting the strategic location, serves as its primary UK distribution hub. The second unit is occupied by a specialist in shop fittings and supplies currently assisting retailers with health and safety and PPE, on a short term lease.

The Group has under offer two purpose built modern multi-let warehouse estates located in two separate premier UK business locations, both being in very close proximity to key transportation hubs, for an aggregate consideration of £43.5m (including costs). The properties generate a combined passing rent of just over £2.4 million per annum from diversified occupiers, reflecting a blended NIY of 5.6%. These two acquisitions both demonstrate a number of attractive characteristics, fit with the Group's stated investment strategy and offer short and longer-term asset management opportunities.

The combined consideration of these three transactions equates to £57.4 million (including costs) to give a blended NIY of 6.3%.

Current trading

In its trading update covering the period since 1 October 2020 to 27 January 2021, the Company reported that rent collection has remained strong with 95% of the total rent due on the December quarter date collected as at 25 January 2021, of which 3% has been deferred by agreement with customers. This level of rent collection is higher than at the equivalent date for the March, June and September quarters. For the financial year ending 31 March 2021, the Group has now received 96% of rents due, which is expected to increase further over the quarter.

During the period, the Group completed 19 new lettings, 6.9% ahead of 30 September ERVs and 24 lease renewals, 5.6% above previous rent, across 0.2 million sq ft of space, generating £1.5 million per annum of contracted rent. The portfolio's total occupancy increased to 94.9% with effective vacancy of only 2.6% excluding units under refurbishment or under offer to let. The Company has also completed the acquisition of 11 warehouse assets totalling 0.9 million sq ft for a combined consideration of £80.2 million (excluding costs), reflecting a blended net initial yield of 6.3%.

The industrial and warehouse sector has continued to outperform the UK property market with investors attracted by rental growth and secure income which is putting downward pressure on yields. According to the CBRE UK Monthly Index, industrial capital values increased by 6.1% in the three months to 31 December 2020, with rental growth of 1.5%. The next valuation date for the Group's portfolio, which was valued at £563.2 million at 30 September 2020 (excludes acquisitions made post 30 September 2020), will be 31 March 2021.

Proposed move to Main Market of the London Stock Exchange

As disclosed in the Company's prospectus published on 18 June 2020, the Board has been considering moving the Company's admission to the Main Market and for its entire issued share capital to be admitted to the premium listing segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange. The Board



believes this would better align the Company with similarly sized companies in the sector and afford it access to a wider institutional investor base in the UK and overseas.

The Company confirms that, in conjunction with its professional advisers, it has begun this process and has made an initial submission to the FCA to assess its eligibility for the Company's admission to the FCA's Official List. The Company expects to conclude the process (subject to meeting the FCA's eligibility criteria and successful approval of an accompanying prospectus) during its interim financial period ending 30 September 2021.

Background to and reasons for the Placing

In the six month period from 1 July 2020 to 31 December 2020, the Group completed the acquisition of 13 warehouse assets totalling 1.8 million sq ft for a combined consideration of £162.0 million (excluding costs), reflecting a blended NIY of 5.9% and has invested the proceeds from the raise in line with management's target.

In addition to the Acquisitions described above, the Group continues to see attractive acquisition opportunities, including several that are well advanced, that meet Warehouse REIT's investment criteria, at both an individual asset and portfolio level.

As at 31 December 2020, the Group had a pro forma LTV ratio of around 30.0% based on the 30 September 2020 portfolio valuation adjusted for subsequent purchases and disposals (30 September 2020: 20.2%). The Group had cash of around £8.0 million and also around a further £40.0 million of undrawn facilities and £55.0 million of accordion available. There are no debt maturities until January 2025 with an option to extend for a further two years. Recognising the need for prudence in uncertain times the Company's stated intention remains to have an LTV ratio of circa 35%.

In order to help finance the Acquisitions described above whilst continuing to maintain an appropriate LTV ratio, the Company is today announcing the Placing to raise up to £45.9 million of gross proceeds at a Placing Price of 121.0 pence per Placing Share.

The Company has consulted with a number of its leading shareholders regarding the rationale for the Placing and its non-pre-emptive nature ahead of this Announcement. The Board's belief that the Placing is in the best interests of shareholders and will promote the success of the Company has been strengthened by these discussions. The proposed issue and allotment of the Placing Shares is within the existing shareholder authorities granted to the Company at the Annual General Meeting held on 14 September 2020.

The Placing

The Company is proposing to raise up to £45.9 million through the issue of up to 37,934,400 Placing Shares at the Placing Price of 121.0 pence per share. The Placing Price represents a premium of 2.2 per cent. to the Company's EPRA Net Tangible Asset Value as at 30 September 2020 (unaudited) of 118.4 pence per Ordinary Share. The Placing Price represents a discount of 4.0 per cent. to the closing price per Ordinary Share on 4 February 2021 of 126.0 pence per Ordinary Share.

The Placing will be subject to the terms and conditions set out in the Appendix to this Announcement. The Placing will be conducted by way of an accelerated bookbuild (the "Bookbuild") which will open immediately following the release of this announcement. Peel Hunt LLP ("Peel Hunt") is acting as sole bookrunner in connection with the Placing. The Placing Shares are not being made available to the public and are only available to certain invited eligible institutional investors in certain specified jurisdictions as detailed in the terms and conditions.

Financial impact and dividends

The Company intends to use the net proceeds from the Placing to help finance the Acquisitions described above. In the event that any of the Acquisitions referred to above do not occur, the Company intends to use the net proceeds of the Placing for potential alternative acquisitions for which the Group is currently in advanced negotiations.

Following completion of the Acquisitions described above and assuming gross proceeds of approximately £45.9 million from the Placing, it is anticipated that the Group's LTV will be approximately 30.0% on a pro-forma basis (adjusting the LTV of 20.2% as at 30 September 2020 for completed acquisitions since that date). Management continue to believe that a LTV ratio of between 30% and 40% provides an optimum capital structure

for the Group over the longer term. The additional equity allows the Group to make further acquisitions accretive to earnings whilst maintaining an LTV ratio of circa 35%.

Management continue to target a total dividend of 6.2 pence per share for the financial year. The Company has paid or declared dividends totalling 4.65 pence per share for the financial year ending 31 March 2021, having declared its third quarterly interim dividend of 1.55 pence per share on 26 January 2021. Investors participating in the Placing will be eligible for the third quarterly dividend, which was declared on 26 January 2021 and is payable on 1 April 2021 to Shareholders on the register on 5 March 2021.

Details of the Placing

Peel Hunt has entered into the Placing Agreement with the Company under which, subject to the conditions set out in that agreement, Peel Hunt will agree to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

A description of certain relevant aspects of the Placing Agreement can be found in the terms and conditions contained in the Appendix to this Announcement under the heading "Participation in, and principal terms of, the Placing". The Placing will be made on a non-pre-emptive basis. The Company will rely on the waiver of pre-emption rights authorities given by shareholders of the Company at the Annual General Meeting held on 14 September 2020.

The Placing is conditional upon, inter alia, Admission becoming effective not later than 8.00 a.m. (London time) on 9 February 2021 (or such later time and/or date, being not later than 8.00 a.m. (London time) on 28 February 2021, as Peel Hunt may agree with the Company) and the Placing Agreement not being terminated in accordance with its terms before that time.

Prior to launch of the Placing, the Company consulted with a number of its shareholders to gauge their feedback as to the terms of the Placing. Feedback from this consultation was highly supportive and as a result the Board has chosen to proceed with the Placing. The Placing is being structured as a Bookbuild to minimise execution and market risk. The Board intends to apply the principles of pre-emption when allocating Placing Shares to those shareholders that participate in the Placing.

Application will be made for the Placing Shares to be admitted to trading on AIM ("Admission"). Subject to Admission becoming effective, it is expected that settlement of subscriptions in respect of the Placing Shares and trading in the Placing Shares will commence at 8.00 a.m. on 9 February 2021.

The above proposed dates may be subject to change at the discretion of the Company and Peel Hunt.

The Placing Shares will rank, from Admission, *pari passu* in all respects with the Company's existing Ordinary Shares and will have the right to receive all dividends and distributions declared in respect of issued Ordinary Share capital of the Company after Admission including the third quarterly dividend, which was declared on 26 January 2021 and is payable on 1 April 2021 to Shareholders on the register on 5 March 2021.

The Appendix to this Announcement (which forms part of the Announcement) sets out the terms and conditions of the Placing. This Announcement, including the Appendix, should be read in its entirety. By choosing to participate in the Placing and by making an oral or written offer to acquire Placing Shares, investors will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making a legally binding offer on the terms and subject to the terms and conditions in it, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

Unless otherwise indicated, capitalised terms in this Announcement have the meaning given to them in the definitions section included in the Appendix.

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Important Notice

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under Market Abuse Regulation (Regulation 596/2014), as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**MAR**"). Upon the publication of this Announcement via a Regulatory Information Service ("**RIS**") this inside information is now considered to be in the public domain.

This Announcement (including the Appendix) (the "**Announcement**") has been issued by and is the sole responsibility of the Company.

The contents of this announcement, which have been prepared by and are the sole responsibility of Warehouse REIT plc (the "**Company**"), have been approved by G10 Capital Limited (part of the Lawson Conner Group) (the "**AIFM**"), as a financial promotion solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000, as amended ("**FSMA**"). G10 is authorised and regulated by the Financial Conduct Authority in the UK, with Firm Reference Number 648953.

This Announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia, collectively, the "**United States**"), Australia, Canada, Japan, New Zealand, the Republic of South Africa, or any other jurisdiction where to do so might constitute a violation or breach of any applicable law. The Placing and the distribution of this Announcement and other information contained herein may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.



This Announcement is an advertisement and does not constitute a prospectus. This Announcement is for information purposes only and does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or solicitation of any offer to subscribe for or to acquire, any ordinary shares of £0.01 each in the capital of the Company ("**Ordinary Shares**") in any jurisdiction, including in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa, where to do so would be unlawful. Investors should not subscribe for or purchase any Ordinary Shares except on the basis of information publicly announced by the Company to a RIS by or on behalf of the Company on or prior to the date of this Announcement.

No public offering of the Placing Shares is being made in the United States, United Kingdom, Australia, Canada, Japan, New Zealand, the Republic of South Africa, or elsewhere. The Placing Shares have not been and will not be registered under the applicable securities laws of any state, province or territory of Australia, Canada, Japan, New Zealand or the Republic of South Africa. Subject to certain exceptions, the Placing Shares may not be offered or sold in Australia, Canada, Japan, New Zealand or the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, Japan, New Zealand or the Republic of South Africa.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States. This announcement is not an offer of securities for sale into the United States. The Placing Shares have not been and will not be registered under the US Securities Act, or any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States absent registration under the US Securities Act, except pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Placing Shares have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Placing Shares.. There will be no public offer of the Ordinary Shares in the United States. The Company has not been and will not be registered under the US Investment Company Act, and investors will not be entitled to the benefits of the US Investment Company Act.

This Announcement does not constitute, or purport to include the information required of, a disclosure document under Chapter 6D of the Australian Corporations Act 2001

(the "**Corporations Act**") or a product disclosure statement under Chapter 7 of the Corporations Act and will not be lodged with the Australian Securities and Investments Commission. No offer of shares is or will be made in Australia pursuant to this Announcement, except to a person who is: (i) either a "sophisticated investor" within the meaning of section 708(8) of the Corporations Act or a "professional investor" within the meaning of section 9 and section 708(11) of the Corporations Act; and (ii) a "wholesale client" for the purposes of section 761G(7) of the Corporations Act (and related regulations) who has complied with all relevant requirements in this respect, or another person who may be issued shares without requiring a disclosure document. No Placing Shares may be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least 12 months after their issue, except in circumstances where disclosure to investors is not required under Part 6D.2 of the Corporations Act.

The Placing is available, and is and may be made, 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 Placing is 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.

Subject to certain exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of Placing Shares. 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.

The Placing is available, and is and may be made, 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 Placing is not available in or from within the Isle of Man other than in accordance with paragraphs (i) and (ii) above and, accordingly, neither may be relied upon by any person unless made or received in accordance with such paragraphs.

The comparability of the information on the Company's performance to date to its future performance is by its nature limited for a variety of reasons. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company or any other person. Neither past performance of the Company is a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company. Prospective investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This Announcement does not constitute a recommendation concerning the Placing and prospective investors should note that the value of ordinary shares can decrease as well as increase.

G10 Capital Limited is authorised and regulated by the Financial Conduct Authority. Tilstone Partners Limited is an appointed representative of G10 Capital Limited which is authorised and regulated by the FCA. Each of G10 Capital Limited ("G10") and Peel Hunt, which is authorised and regulated in the United Kingdom by the UK Financial Conduct Authority, are acting exclusively for the Company and no one else in connection with the Placing and Admission. Neither G10 nor Peel Hunt will regard any other person as their respective clients in relation to the subject matter of this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Placing, Admission, the contents of this Announcement or any transaction, arrangement or other matter referred to herein.

Save as set out above, none of the Company, G10, Peel Hunt or any of their operating partners, co-investors and joint venture partners, or any of their respective parent or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such person's respective directors, officers, employees, agents, affiliates or advisers or any other person ("**their respective affiliates**") accepts any responsibility or

liability whatsoever for/or makes any representation or warranty, express or implied, as to this Announcement, including the truth, accuracy or completeness of the information in this Announcement (or whether any information has been omitted from this Announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this Announcement or its contents or otherwise arising in connection therewith. The Company, G10, Peel Hunt and their respective affiliates accordingly disclaim all and any liability whatsoever whether arising in tort, contract or otherwise which they might otherwise have in respect of this Announcement or its contents or otherwise arising in connection therewith. No representation or warranty, express or implied, is made by Peel Hunt or any of their affiliates as to the accuracy, fairness, completeness or sufficiency of the information contained in this Announcement.

In connection with the Placing, Peel Hunt and any of their affiliates, acting as an investor for its own account(s), may acquire Placing Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references to Placing Shares being 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 their affiliates acting as an investor for its or their own account(s). Neither Peel Hunt nor any of their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, in connection with the Placing, Peel Hunt may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements where Placing Shares are used as collateral, that could result in Peel Hunt acquiring shareholdings in the Company.

This Announcement does not constitute a recommendation concerning the Placing. The price and value of securities and any income from them can go down as well as up and investors may not get back the full amount invested on disposal of the securities. Past performance is not a guide to future performance. Information in this Announcement or any of the documents relating to the proposed Placing cannot be relied upon as a guide to future performance. The Placing timetable may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Placing will occur and you should not base your financial decisions on the Company's intentions in relation to the Placing or the information contained in this Announcement. The contents



of this Announcement are not to be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

This Announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Placing Shares. Any investment decision to buy Placing Shares in the Placing must be made solely on the basis of publicly available information, which has not been independently verified by Peel Hunt.

Certain statements in this Announcement are, or may be deemed to be, forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which may use words such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "seeks", "aims", "should" or "will" or, in each case, their negative or other variations or similar expressions.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Announcement and include, but are not limited to, statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial position, prospects, growth, target total return, investment strategy, financing strategies, and the development of the industries in which the Company's businesses operate. Such forward-looking statements involve unknown risks, uncertainties and other factors, which may cause the actual results of operations, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In addition, even if the Company's results of operations, financial position and growth, and the development of the market and the industry in which the Company operates, are consistent with the forward-looking statements contained in this Announcement, those results or developments may not be indicative of results or developments in subsequent periods.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of such statements. Except as required by applicable law, none of the Company, Peel Hunt or their respective affiliates assumes any obligation or undertaking to update, review or revise any forward looking statements contained in this



Announcement whether as a result of new information, future developments or otherwise.

The Placing Shares will not be admitted to trading on any stock exchange other than the London Stock Exchange.

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

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

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

Marketing disclosures pursuant to AIFMD (as defined below)

The Company is an externally managed alternative investment fund and has appointed G10 as its alternative investment fund manager. In accordance with Article 32 of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**AIFMD**"), G10 has been given clearance by the Financial Conduct Authority ("**FCA**") to market the Placing Shares to professional investors in the United Kingdom, in accordance with AIFMD and the laws, rules and regulations implementing AIFMD in the United Kingdom, including without limitation the Alternative Investment Fund Managers Regulations 2013 (No. 1173/2013) and the Investment Funds Sourcebook of the FCA (the "**UK AIFMD Rules**").

No filings have been made under the National Private Placement Regime in any Member State of the European Union under AIFMD.

PRIIPs (as defined below)

In accordance with the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**PRIIPs**") and its implementing and delegated acts (the "**PRIIPs Regulation**"), the Company has prepared a key information document (the "**KID**") in respect of the Ordinary Shares. The KID is made available to "retail investors" prior to them making an investment decision in respect of the Ordinary Shares at <https://www.warehousereit.co.uk/investors>.

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

The Company is the only manufacturer of the Ordinary Shares for the purposes of the PRIIPs Regulation and Peel Hunt are not manufacturers for these purposes. Peel Hunt

does not make any representations, express or implied, or accepts any responsibility whatsoever for the contents of the KID prepared by the Company nor accepts any responsibility to update the contents of the KID in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide the KID to future distributors of Ordinary Shares. Each of the Company, Peel Hunt and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the key information documents. Investors should note that the procedure for calculating the risks, costs and potential returns in the KID are prescribed by laws. The figures in the KID may not reflect actual returns for the Company and anticipated performance returns cannot be guaranteed.

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APPENDIX

TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING (AS DEFINED BELOW). THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, PERSONS WHO ARE 'QUALIFIED INVESTORS' WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION ("**QUALIFIED INVESTORS**"), (B) IF IN THE UNITED KINGDOM, 'QUALIFIED INVESTORS' WITHIN THE MEANING OF ARTICLE 2(E) OF THE UK PROSPECTUS REGULATION AND WHO ARE PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"), OR ARE HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS OR PARTNERSHIPS OR TRUSTEES OF HIGH VALUE TRUSTS AS DESCRIBED IN ARTICLE 49(2) OF THE ORDER, (C) OTHERWISE, TO PERSONS TO WHOM IT MAY OTHERWISE BE LAWFUL TO COMMUNICATE IT TO AND IN ALL CASES WHO ARE CAPABLE OF BEING CATEGORISED AS A PROFESSIONAL CLIENT OR AN ELIGIBLE COUNTERPARTY FOR THE PURPOSES OF THE FCA CONDUCT OF BUSINESS RULES, AND (D) CERTAIN PERSONS IN THE UNITED STATES WHO THE COMPANY REASONABLY BELIEVES TO BE "QUALIFIED INSTITUTIONAL BUYERS" ("**QIBS**") AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") EACH OF WHOM WILL BE REQUIRED TO PROVIDE THE COMPANY WITH ADDITIONAL REPRESENTATIONS AS TO THEIR STATUS UNDER THE SECURITIES ACT AND US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), AMONG OTHER THINGS (EACH A "**RELEVANT PERSON**").



NO OTHER PERSON SHOULD ACT OR RELY ON THIS ANNOUNCEMENT AND PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. BY ACCEPTING THE TERMS OF THIS ANNOUNCEMENT, YOU REPRESENT AND AGREE THAT YOU ARE A RELEVANT PERSON. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED UPON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN WAREHOUSE REIT PLC (THE "**COMPANY**").

SUBJECT TO CERTAIN LIMITED EXCEPTIONS, THE INFORMATION CONTAINED HEREIN IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, THE REPUBLIC OF SOUTH AFRICA, CANADA, NEW ZEALAND OR JAPAN OR ANY JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. SUBJECT TO CERTAIN LIMITED EXCEPTIONS, THIS ANNOUNCEMENT (AND THE INFORMATION CONTAINED HEREIN) DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES, AUSTRALIA, THE REPUBLIC OF SOUTH AFRICA, CANADA, NEW ZEALAND OR JAPAN OR IN ANY OTHER JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

THE PLACING SHARES (AS DEFINED BELOW) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR UNDER THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, TAKEN UP, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR IN THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH THE SECURITIES LAWS OF ANY RELEVANT STATE OR OTHER JURISDICTION OF THE UNITED STATES. THERE WILL BE NO PUBLIC OFFER OF THE PLACING SHARES IN THE UNITED STATES.

EACH PLACEE (AS DEFINED BELOW) SHOULD CONSULT ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS, FINANCIAL AND RELATED ASPECTS OF A SUBSCRIPTION FOR THE PLACING SHARES.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

The Placing (as defined below) is subject to the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) as it forms part of domestic law by virtue of the EUWA ("**AIFMD**") as implemented by the UK and by member states of the EEA ("**Member States**"). No filings have been made under the National Private Placement Regime in any Member State of the European Union under AIFMD.

The Placing is directed only at Relevant Persons and certain persons in the United States who the Company reasonably believes to be QIBs, each of whom will be required to provide the Company with additional representations as to their status under the Securities Act and Investment Company Act, among other things (the "**Representation Letter**"). The attention of all prospective investors is drawn to disclosures required to be made under the AIFMD which are set out on the Company's website (including as set out in its most recent annual report and accounts).

Persons who are invited to and who choose to participate in the Placing, by making an oral or written offer to subscribe for Placing Shares (as defined below), including any **Placees**, will be deemed to have read and understood the Announcement, including this



Appendix, in its entirety and to be making such offer on the terms and conditions detailed, and to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, acknowledgements and undertakings, contained, in this Appendix. In particular each such Placee represents warrants and acknowledges that:

- a) it is a Relevant Person and undertakes that it will subscribe for, acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and
- b) if it is in the United Kingdom or a Member State of the EEA and/or if it is a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation or the Prospectus Regulation, that any Placing Shares subscribed for by it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in the United Kingdom or any Member State of the EEA in circumstances which may give rise to an offer of securities to the public other than an offer or resale in the United Kingdom to relevant persons or a Member State of the EEA which is subject to the Prospectus Regulation to qualified investors or in circumstances in which the prior consent of Peel Hunt has been given to each such proposed offer or resale.

Neither Peel Hunt, nor any of its respective affiliates, agents, directors, officers or employees, make any representation to any Placees regarding an investment in the Placing Shares. The Company and Peel Hunt will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

This Announcement will not constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Ordinary Shares in the United States. Subject to certain exceptions, all persons applying for Ordinary Shares and wishing to hold such Ordinary Shares in registered form must provide an address for registration of the Ordinary Shares outside the United States.

Subject to certain exceptions, any person who applies for Ordinary Shares will be deemed to have declared, warranted and agreed that they are not, and that at the time of application they will not be, in the United States, or acting on a non-discretionary basis for a person located within the United States.

The Company reserves the right to treat as invalid any application for Ordinary Shares which: (i) does not contain a warranty to the effect that the person applying for Ordinary Shares does not have a registered address and is not otherwise located in the United States and is not applying for Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of the Ordinary Shares in the United States or where the Company believes application for such Ordinary Shares may infringe applicable legal or regulatory requirements; and (ii) does not contain additional representations as to persons with a registered address or otherwise located in the United States, in form and substance acceptable to the Company and Peel Hunt, regarding their status as a QIB.

Details of the Placing Agreement and of the Placing Shares

Peel Hunt, the Company and Tilstone Partners have today entered into the Placing Agreement pursuant to which Peel Hunt has agreed that it will, as agent for and on behalf of the Company, use its reasonable endeavours to procure Placees for the issue of the Placing Shares at the Placing Price. Peel Hunt shall not be under any obligation to subscribe as principal for any Placing Shares pursuant to the Placing.

The Placing is not being underwritten.

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after Admission and will on issue, be free of all claims, liens, charges, encumbrances and equities.



Application for Admission to trading

Application has been or will be made to London Stock Exchange plc ("**London Stock Exchange**") for Admission. It is expected that Admission will become effective on or around 8.00 a.m. (London time) on 9 February 2021 and that dealings in the Placing Shares will commence at that time.

Bookbuild

Peel Hunt will today commence the accelerated bookbuilding process to determine demand for participation in the Placing by Placees (the "**Bookbuild**"). This Appendix gives details of the terms and conditions of, and the mechanics for participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

Peel Hunt shall be entitled to implement the Placing by such alternative method to the Bookbuild as they may, in their absolute discretion following consultation with the Company, determine.

Participation in, and principal terms of, the Placing

1. Peel Hunt is acting as broker and agent of the Company in connection with the Placing.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by Peel Hunt. Peel Hunt and its respective affiliates are entitled, but not obliged, to nominate themselves as a Placee under the Placing.
3. Peel Hunt shall determine, after consultation with the Company and Tilstone Partners, the identity of the proposed Placees and allocations to Placees following completion of the Bookbuild. The number of Placing Shares to be issued will be announced on an **RIS** following completion of the Bookbuild.
4. To bid in the Bookbuild, prospective Placees should communicate their bid by telephone or in writing to their usual sales contact at Peel Hunt. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for at the Placing Price. Bids may be scaled down by Peel Hunt on the basis referred to in paragraph 8 below.
5. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with Peel Hunt's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee's obligations will be owed to the Company and Peel Hunt. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to Peel Hunt as agent of the Company, to pay in cleared funds immediately on the settlement date, in accordance with the registration and settlement requirements set out below, an amount equal to the product of the Placing Price and the number of Placing Shares in respect of which such Placee has agreed to subscribe and the Company has agreed to allot and issue to such Placee.
6. The Bookbuild is expected to close no later than 2 p.m. (London time) on 5 February 2021 but may be closed earlier or later at the absolute discretion of Peel Hunt and the Company. Peel Hunt may, in agreement with the Company, accept bids, either in whole or in part, that are received after the Bookbuild has closed.
7. Peel Hunt is acting exclusively for the Company and no one else in connection with the matters referred to in this Appendix and will not be responsible to anyone other than the Company for protections afforded to its customers nor for

providing advice in relation to the matters described in this Appendix or any matter, transaction or arrangement referred to in it.

8. Each prospective Placee's allocation will be determined by Peel Hunt and will be confirmed either orally or by electronic communication (the "**Initial Confirmation**") by Peel Hunt (as agent for the Company) as soon as practicable following the close of the Bookbuild and a trade confirmation will be despatched thereafter. The terms and conditions of this Appendix will be deemed incorporated therein. The Initial Confirmation to a Placee will constitute an irrevocable legally binding commitment upon that person (who will at that point become a Placee) in favour of Peel Hunt and the Company to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association. All obligations under the Bookbuild and the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing". By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
9. Peel Hunt may choose to accept bids, either in whole or in part, on the basis of allocations determined at its discretion and may scale down any bids for this purpose on such basis as they may determine.
10. Settlement for all Placing Shares to be subscribed pursuant to the Placing will be required to be made on the basis explained below under "**Registration and settlement**".
11. To the fullest extent permissible by law, neither the Company, Peel Hunt nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise) under these terms and conditions. In particular, neither the Company, Peel Hunt nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of the conduct of the Bookbuild or of such alternative method of effecting the Placing as Peel Hunt and the Company may agree. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and Peel Hunt shall have no liability to the Placees for any failure by the Company to fulfil those obligations.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The obligations of Peel Hunt under the Placing Agreement are conditional, *inter alia*, on:

- a) none of the warranties given by the Company and Tilstone Partners contained in the Placing Agreement being or having become up to and including the time of Admission untrue, inaccurate or misleading (which in the opinion of Peel Hunt acting in good faith considers to be material in the context of the Placing or Admission);
- b) the Company allotting and issuing, subject only to Admission, the Placing Shares to the Placees in accordance with the Placing Agreement; and
- c) Admission occurring not later than 8.00 a.m. (London time) on 9 February 2021 (or such later time and/or date, being not later than 8.00 a.m. (London time) on 28 February 2021, as Peel Hunt and the Company may agree).

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled (or, where permitted, waived in writing by Peel Hunt in its absolute discretion) or have become incapable of fulfilment on or before the date or time specified for the fulfilment thereof (or such later date and/or time as Peel Hunt may agree); or (ii) the Placing Agreement is terminated as described below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee or on its behalf (or any person on whose behalf the Placee is acting) in respect thereof.

Peel Hunt may, in its absolute discretion, waive, or extend the period (up to the Final Date) for compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement, save that the condition relating to Admission taking place may not be waived and the period for compliance with such condition may not be extended beyond the Final Date. Any such extension or waiver will not affect the Placees' commitments as set out in the Announcement (including this Appendix).

Neither Peel Hunt, the Company nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Peel Hunt.

Right to terminate under the Placing Agreement

Peel Hunt is entitled at its sole discretion, at any time before Admission, after such consultation with the Company and Tilstone Partners as the circumstances may allow, to terminate its obligations under the Placing Agreement in accordance with its terms in certain circumstances including (amongst other things):

- a) in the opinion of Peel Hunt (acting in good faith), the warranties given on the part of the Company and/or Tilstone Partners contained in the Placing Agreement are not true, accurate or have become misleading (or would not be true and accurate or would be misleading if they were to be repeated at any time before Admission) by reference to the facts, matters and circumstances subsisting at that time; or
- b) in the opinion of Peel Hunt (acting in good faith), the Company and/or Tilstone Partners fail to comply with any of their respective obligations under the Placing Agreement and that failure is material in the context of the Placing and/or Admission; or
- c) any matter or circumstance arises as a result of which, in the opinion of Peel Hunt (acting in good faith), any of the conditions in the Placing Agreement has become incapable of satisfaction by the time and/or date specified therein (or such later date as Peel Hunt and the Company may agree); or
- d) the Company's application for Admission has been withdrawn and/or refused by the London Stock Exchange (as applicable); or
- e) the occurrence of a material adverse change in the financial position or prospects or business of the Company or Tilstone Partners and, in the opinion of Peel Hunt (acting in good faith), the effect of such change is such that it would materially prejudice the success of the Placing or the distribution of the Placing Shares.

Upon termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing each Placee agrees that: (i) the exercise by Peel Hunt of any right of termination or of any other discretion under the Placing Agreement shall be within the absolute discretion of Peel Hunt and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise or failure to so exercise and (ii) its rights and obligations terminate only in the circumstances described in the sections entitled "Right to terminate under the Placing Agreement" and "Conditions of the Placing" above, and its participation will not be capable of rescission or termination by it after oral confirmation by Peel Hunt of the allocation and commitments following the close of the Bookbuild.

Lock up arrangements

The Company has undertaken with Peel Hunt that it will not, during the period from the date of the Placing Agreement and the date falling 90 days after Admission, issue any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for, or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction having substantially the same effect or agree to do any of the foregoing, other than with the prior written consent of Peel Hunt (such consent not to be unreasonably withheld or delayed) or as otherwise contemplated by the Placing Agreement.

By participating in the Placing, Placees agree that the exercise by Peel Hunt of any power to grant consent to the undertaking by the Company of a transaction which would otherwise be subject to the lock up provisions under the Placing Agreement shall be within the absolute discretion of Peel Hunt and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

No prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require an admission document or prospectus in the United Kingdom or any other jurisdiction. No admission document, offering document or prospectus has been or will be submitted to be approved by the FCA, or submitted to the London Stock Exchange in relation to the Placing or Admission and no such prospectus is required (in accordance with the Prospectus Regulation or the UK Prospectus Regulation) to be published and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) released by the Company today and any information publicly announced to an RIS by or on behalf of the Company on or prior to the date of this Announcement and subject to the further terms set forth in the contract note and/or electronic trade confirmation to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or Peel Hunt or any other person and none of the Company, Peel Hunt or any of its respective affiliates will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company nor Peel Hunt are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement (including this Appendix) to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude or limit the liability of any person for fraudulent misrepresentation by that person.

Payment for Placing Shares

Each Placee undertakes to pay the Placing Price for the Placing Shares issued to such Placee (for the purposes of this Appendix, the "**Total Amount**") in such manner as shall be directed by Peel Hunt. In the event of any failure by a Placee to pay as so directed by

Peel Hunt, the relevant Placee shall be deemed hereby to have appointed Peel Hunt or any of its nominees to sell (in one or more transactions) any or all of its Placing Shares (as applicable) in respect of which payment shall not have been made as so directed and to have agreed to indemnify on demand Peel Hunt in respect of any liability for UK stamp duty and/or stamp duty reserve tax arising in respect of any such sale or sales. A sale of all or any of such Placing Shares (as the case may be) shall not release the relevant Placee from the obligation to make such payment for Placing Shares (as the case may be) to the extent that Peel Hunt or its nominee has failed to sell such Placing Shares at a consideration which after deduction of expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, is equal to or exceeds the Placing Price per Placing Share.

Registration and settlement

Settlement of transactions in the Placing Shares (ISIN: GB00BD2NCM38) following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**"), subject to certain exceptions. Peel Hunt and the Company reserve the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form (or by such other means that they deem necessary) if delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the closing of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a contract note or electronic trade confirmation in accordance with the standing arrangements in place with Peel Hunt stating the number of Placing Shares to be allocated to it at the Placing Price and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with Peel Hunt.

It is expected that settlement will be on 9 February 2021 on a delivery versus payment basis (T 2) in accordance with the instructions set out in the trade confirmation.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the base rate from time to time of Barclays Bank PLC as determined by Peel Hunt.

Each Placee is deemed to agree that, if it does not comply with these obligations, Peel Hunt (as agent for the Company) may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the account and benefit of Peel Hunt, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties thereon) or other similar taxes imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on Peel Hunt, all such authorities and powers necessary to carry out such sale and agrees to ratify and confirm all actions which Peel Hunt lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately upon receipt to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

If there are any circumstances in which any stamp duty or stamp duty reserve tax or other similar taxes or duties (including any interest and penalties relating thereto) is payable in respect of the allocation, allotment, issue, sale, transfer or delivery of the Placing Shares (or, for the avoidance of doubt, if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer

Placing Shares), none of Peel Hunt nor the Company shall be responsible for payment thereof.

Representations, warranties and further terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with Peel Hunt and the Company, in each case as a fundamental term of their application for Placing Shares, that:

- a) it has read and understood the Announcement, including this Appendix, in its entirety and that its subscription for Placing Shares is subject to and based solely upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein (and in the Representation Letter, if applicable);
- b) it undertakes not to redistribute, forward, transfer, duplicate or otherwise transmit this Announcement (including this Appendix) or any part of it, or any other presentational or other material concerning the Placing (including electronic copies thereof) to any person and represents that it has not redistributed, forwarded, transferred, duplicated or otherwise transmitted any such materials to any person;
- c) it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing;
- d) no admission document, offering document or prospectus has been or will be prepared in connection with the Bookbuild, the Placing, the Placing Shares or Admission and it has not received and will not receive an admission document, prospectus or other offering document in connection with the Bookbuild, the Placing, the Placing Shares or Admission;
- e) the Placing does not constitute a recommendation or financial product advice and Peel Hunt has had no regard to its particular objectives, financial situation and needs;
- f) it has neither received nor relied on any "inside information" as defined in MAR concerning the Company in accepting this invitation to participate in the Placing. If it has received any inside information about the Company in advance of the Placing it has not: (i) used that inside information to acquire or dispose of securities of the Company or financial instruments related thereto or cancel or amend an order concerning the Company's securities or any such financial instruments, (ii) used that inside information to encourage, require, recommend or induce another person to deal in the securities of the Company or financial instruments related thereto or such financial instruments or (iii) disclosed such information to any person, prior to the information being made publicly available;
- g) it has the power and authority to carry on the activities in which it is engaged, to subscribe for and/or acquire Placing Shares, to execute and deliver all documents necessary for such subscription and/or acquisition and has the authority to make and does make the acknowledgements, representations and agreements contained in this Appendix;
- h) none of the Company, Peel Hunt, any of its respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and none of them will provide, it with any material regarding the Placing Shares or the Company or any other person other than the Announcement (including this Appendix), nor has it requested Peel Hunt, the

Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;

- i) (i) it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on the Announcement (including this Appendix) and any information publicly announced to an RIS by or on behalf of the Company prior to the date of the Announcement (the "**Publicly Available Information**"); (ii) the Ordinary Shares are traded on AIM and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules and relevant regulatory authorities (the "**Exchange Information**"), which includes a description of the nature of the Company's business, most recent balance sheet and profit and loss account, and similar statements for preceding years, and it has reviewed such Exchange Information as it has deemed necessary and that it is able to obtain and access the Exchange Information without undue difficulty; and (iii) it has had access to such financial and other information (including the business, financial condition, prospects, creditworthiness, status and affairs of the Company, the Placing and the Placing Shares, as well as the opportunity to ask questions) concerning the Company, the Placing and the Placing Shares as it has deemed necessary in connection with its own investment decision to acquire any of the Placing Shares and has satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing;
- j) (i) none of the Company, Peel Hunt or any of their respective affiliates has made any representations to it, express or implied, with respect to the Company, the Placing, the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information or the Exchange Information, and each of them expressly disclaims any liability in respect thereof; and (ii) it will not hold Peel Hunt or any of its respective affiliates responsible for any misstatements in or omissions from any Publicly Available Information or any Exchange Information. Nothing in this paragraph or otherwise in the Announcement (including this Appendix) excludes the liability of any person for fraudulent misrepresentation made by that person;
- k) it has the funds available to pay the Total Amount payable pursuant to its subscription of Placing Shares and acknowledges, agrees and undertakes that it (or any person acting on its behalf) will pay the Total Amount in accordance with the terms of this Appendix on the due time and dates notified by Peel Hunt, failing which the relevant Placing Shares may be placed with other Placees or sold at such price as Peel Hunt determines;
- l) unless it otherwise notifies in writing to the Company and Peel Hunt, it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed for will not be, a resident of, or with an address in, Australia, Canada, Japan, New Zealand, the Republic of South Africa or the United States or any state, province, territory or jurisdiction thereof, and it acknowledges and agrees that the Ordinary Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, Canada, Japan, New Zealand, the Republic of South Africa or the United States and, subject to certain exceptions, may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions or any state, province, territory or jurisdiction thereof or any jurisdiction (subject to certain exceptions) in which it would be unlawful to do so;
- m) if it is in the United Kingdom it is a relevant person and if it is a resident in a member state of the EEA, it is a qualified investor or is a person to whom the Placing Shares may lawfully be marketed under the AIFMD or under the

applicable implementing legislation (if any) of that relevant member state of the EEA;

- n) the content of the Announcement (including this Appendix) is exclusively the responsibility of the Company and that neither Peel Hunt nor any of its respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in the Announcement (including this Appendix) or any information previously or subsequently published by or on behalf of the Company, including, without limitation, any Publicly Available Information or Exchange Information and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in the Announcement (including this Appendix) or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Shares is contained in the Announcement (including this Appendix) and any Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Peel Hunt or the Company and that neither Peel Hunt nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement;
- o) if in the United Kingdom, it has complied (and will continue to comply) with its obligations under MAR, the Criminal Justice Act 1993 and, in connection with money laundering and terrorist financing, under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2007 and the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the "**Regulations**") and, if making payment on behalf of a third party, satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
- p) the Placee irrevocably appoints any duly authorised officer of Peel Hunt as its agent for the purpose of executing and delivering to the Company and/or its registrar any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Announcement (including this Appendix);
- q) it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make the acknowledgments, representations and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Company and/or Peel Hunt for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person). Each Placee agrees that the provisions of this paragraph shall survive the resale of the Placing Shares by or on behalf of any person for whom it is acting;
- r) if a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation or the UK Prospectus Regulation, that the Placing Shares subscribed for by it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in a Member State of the EEA other than qualified investors or persons in the United Kingdom other than relevant persons, or in circumstances in which the prior consent of Peel Hunt has been given to the proposed offer or resale;

- s) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Order or it is a person to whom the Placing Shares may otherwise lawfully be offered under such Order and/or is a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- t) it has not offered or sold and will not offer or sell any Placing Shares to the public in any Member State of the EEA or the United Kingdom except in circumstances falling within the Prospectus Regulation or the UK Prospectus Regulation which do not result in any requirement for the publication of a prospectus pursuant to the Prospectus Regulation or the UK Prospectus Regulation;
- u) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
- v) it will not make any offer to the public of the Ordinary Shares and has not offered or sold, and will not offer or sell, any Ordinary Shares to persons in the United Kingdom or in the EEA prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in, and which will not result in, an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA or an offer to the public in any EEA state within the meaning of the Prospectus Regulation;
- w) it has complied and will comply with all applicable provisions of FSMA and MAR with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
- x) no action has been or will be taken by the Company or Peel Hunt or any person acting on behalf of the Company or Peel Hunt that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
- y) it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in Peel Hunt, the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
- z) the allocation, allotment, issue and delivery to the Placee, or the person specified by it for registration as a holder of Placing Shares, will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that no instrument under which it subscribes for Placing Shares (whether as principal, agent or nominee) would be subject to stamp duty or the increased rates referred to in those sections and that it, or the person specified by it for registration as a holder of Placing Shares, is not participating in the Placing as nominee or agent for any

person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;

- aa) it, or the person specified by it for registration as a holder of the Placing Shares, will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto), if any, payable on acquisition of any of the Placing Shares or the agreement to subscribe for the Placing Shares and acknowledges and agrees that none of Peel Hunt nor the Company nor any of its or their respective affiliates nor any person acting on behalf of any of them will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement;
- bb) it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in the Announcement, including this Appendix) and will honour such obligations;
- cc) it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with the terms and conditions of the Announcement, including this Appendix, on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other persons or sold as Peel Hunt may in its absolute discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale falls short of the product of the relevant Placing Price and the number of Placing Shares allocated to it and will be required to bear any stamp duty, stamp duty reserve tax or other taxes or duties (together with any interest, fines or penalties) imposed in any jurisdiction which may arise upon the sale of such Placee's Placing Shares;
- dd) its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares to which it will be entitled, and required, to subscribe for, and that Peel Hunt or the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
- ee) the person whom it specifies for registration as holder of the Placing Shares will be: (i) itself; or (ii) its nominee, as the case may be. None of the Company or Peel Hunt will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify the Company and Peel Hunt and their respective affiliates, agents, directors, officers and employees in respect of the same on an after-tax basis on the basis that the Placing Shares will be allotted to the CREST stock account of Peel Hunt who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
- ff) neither of Peel Hunt, any of its respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them, is making any recommendations to it or, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Peel Hunt and that Peel Hunt does not have any duties or responsibilities to it for providing the protections afforded to Peel Hunt's respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor

for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

- gg) in making any decision to subscribe for the Placing Shares, it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further confirms that it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved, and not upon any view expressed or information provided by or on behalf of Peel Hunt;
- hh) in connection with the Placing, Peel Hunt and any of its affiliates acting as an investor for its own account may take up Placing Shares in the Company and in that capacity may subscribe for, retain, purchase or sell for its own account such Ordinary Shares and any other securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Peel Hunt shall not disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
- ii) these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Peel Hunt in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- jj) the Company, Peel Hunt and its respective affiliates and others will rely upon the truth and accuracy of the acknowledgements, representations, warranties and agreements set forth herein and which are given to Peel Hunt on its own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises the Company and Peel Hunt to produce the Announcement (including this Appendix), pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein. It agrees that if any of the acknowledgements, representations, warranties and agreements made in connection with its subscribing for and/or acquiring of Placing Shares is no longer accurate, it shall promptly notify the Company and Peel Hunt;
- kk) it will indemnify on an after-tax basis and hold the Company, Peel Hunt and its respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;



- ll) none of the Company or Peel Hunt owes any fiduciary or other duties to any Placee in respect of any acknowledgements, confirmations, undertakings, representations, warranties or indemnities in the Placing Agreement;
- mm) if it is a pension fund or investment company, its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
- nn) its commitment to take up Placing Shares on the terms set out in the Announcement (including this Appendix) will continue notwithstanding any amendment that may in the future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company or Peel Hunt's conduct of the Placing;
- oo) if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied, or the Placing Agreement is terminated prior to Admission for any reason whatsoever, or the Placing Shares for which valid applications are received and accepted are not admitted to trading for any reason whatsoever, then none of the Company, Peel Hunt, nor any of its respective affiliates, nor persons controlling, controlled by or under common control with any of them, nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to any of the Placees or any other person;
- pp) the Company and Peel Hunt (and any agent acting on its behalf) are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it (or any person on whose behalf the Placee is acting); and
- qq) it will (or will procure that its nominee will), if applicable, make notification to the Company of the interest in its Placing Shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules issued by the FCA and made under Part VII of FSMA as they apply to the Company.

United States purchase and transfer restrictions

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with Peel Hunt and the Company that:

- a) the Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within, in or into the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and under circumstances that will not require the Company to register under the Investment Company Act. There will be no public offer of the Placing Shares in the United States. The Company has not been, and will not be, registered under the Investment Company Act in reliance on Section 3(c)(5) thereof, and as such investors will not be entitled to the benefits of the Investment Company Act. The Placing Shares made available under the Placing are being offered and sold in the United States only to persons reasonably believed to be QIBs in reliance on an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Notwithstanding the foregoing, no representation has been, or will be, made by the Company or Peel Hunt as to the availability of any exemption from registration under the Securities Act or any state securities laws for the reoffer, pledge or transfer of the Placing Shares.



- b) it has such knowledge, sophistication and experience in financial and business matters that it is capable of evaluating the merits and risks of its purchase of the Placing Shares comprised in its Placing commitment, and it is able to bear the economic risk and financial risk (including sustaining a complete loss) of the purchase of such Placing Shares and it has had sufficient time to consider and conduct its own investigation with respect to its purchase of the Placing Shares including the legal, regulatory, tax, business, currency and other economic and financial considerations relevant to such investment and it will not look to the Company, Peel Hunt, or any of their respective affiliates or any person acting on their behalf for all or part of any loss it may suffer in connection with its purchase of such Placing Shares;
- c) it is: (A) located outside the United States, and it is acquiring the shares in an "offshore transaction" (within the meaning of Regulation S); or (B) a QIB that has delivered to the Company and Peel Hunt a Representation Letter and it will not offer, sell or deliver, directly or indirectly, any Ordinary Shares in or into the United States; and if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of Placing Shares or any beneficial interest therein, it will do so only: (i) in an "offshore transaction" (within the meaning of Regulation S) to a person outside the United States; (ii) to a person whom it and any person acting on its behalf reasonably believes to be a QIB, that has delivered to the Company a written certification (in form and substance satisfactory to the Company) that it is a QIB and that it agrees to comply with, and will notify any subsequent transferee of, the resale restrictions set out herein, in a transaction exempt from the registration requirements of the Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the Investment Company Act; or (iii) to the Company;
- d) it acknowledges that Placing Shares issued in certificated form will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. IN ADDITION, WAREHOUSE REIT PLC (THE "COMPANY") IS NOT REGISTERED AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT: (1) IN AN "OFFSHORE TRANSACTION" COMPLYING WITH REGULATION S UNDER THE SECURITIES ACT; (2) TO A PERSON WHO IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN THE SECURITIES ACT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND OTHERWISE IN COMPLIANCE WITH ALL STATE SECURITIES LAWS WITH DELIVERY BY THE TRANSFEE TO THE COMPANY OF WRITTEN CERTIFICATIONS TO THAT EFFECT, OR; (3) TO THE COMPANY, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS AND UNDER CIRCUMSTANCES THAT WOULD NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT. ANY OFFER, SALE, TRANSFER, PLEDGE, ASSIGNMENT OR DISPOSAL MADE OTHER THAN IN COMPLIANCE WITH THE FOREGOING RESTRICTIONS MAY BE SUBJECT TO THE COMPULSORY TRANSFER PROVISIONS SET OUT IN THE ARTICLES OF ASSOCIATION OF THE COMPANY."

- e) it acknowledges and agrees that there is no present intention to register any of the Ordinary Shares for sale or re-sale under the US Securities Act and that there can be no representation as to the availability of any exemption from registration under the US Securities Act;



- f) it is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States and, unless otherwise disclosed to Peel Hunt and the Company in writing, it is not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for Placing Shares is given;
- g) if it is a "municipal entity" within the meaning of Section 15B(e)(8) of the Exchange Act or an "obligated person" within the meaning of Section 15B(e)(10) of the Exchange Act, the amounts invested by it in the Company will not constitute "proceeds of municipal securities" or "municipal escrow investments", and it acknowledges that neither the Company, Tilstone Partners Limited nor their respective affiliates provide, or intend to provide, advice to the Company with respect to investment strategies that are plans or programs for the investment of the proceeds of municipal securities or the recommendation of or brokerage of municipal escrow investments;
- h) if it is an entity formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act that is organised or incorporated, and owned solely by "accredited investors" (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts, it was not formed for the purposes of evading the requirements of Section 7(d) of the Investment Company Act;
- i) it acknowledges that the Company has not been registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;
- j) it has not become aware of the Placing by any means of "directed selling efforts", as that term is defined under Regulation S;
- k) it is not acquiring the Placing Shares as a result of any "general solicitation" or "general advertising" (as defined in Regulation D under the Securities Act);
- l) no portion of the assets used to purchase, and no portion of the assets used to hold, the Placing Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the US Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Code. In addition, if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Code, its purchase, holding, and disposition of the Placing Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- m) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of any Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions may be subject to the compulsory transfer provisions as provided in the articles of association of the Company;

- n) it is purchasing the Placing Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Placing Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- o) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the Investment Company Act to transfer such Ordinary Shares or interests in accordance with the articles of association of the Company;
- p) it acknowledges and understands that the Company is required to comply with FATCA and CRS and agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA and CRS;
- q) it is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Placing Shares and that it has not taken any action, or omitted to take any action, which may result in the Company or Peel Hunt, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Placing;
- r) it has received, carefully read and understands this announcement, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Placing Shares to or within the United States (other than its legal and financial advisers), nor will it do any of the foregoing; and
- s) the Company and 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.

The foregoing acknowledgements, confirmations, undertakings, representations and warranties are given for the benefit of the Company and Peel Hunt and are irrevocable.

Neither the Company nor Peel Hunt is liable to bear any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable in or outside the United Kingdom by any Placee or any other person on a Placee's acquisition, transfer or sale by them of any Placing Shares or the agreement by a Placee to subscribe for, acquire, transfer or sell any Placing Shares. Each Placee agrees to indemnify on an after-tax basis and hold harmless the Company, Peel Hunt and their respective affiliates, agents, directors, officers and employees from any and all such stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including interest, fines or penalties relating thereto).

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that Peel Hunt or any of its respective affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Peel Hunt, any money held in an account with Peel Hunt on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of



the rules and regulations of the FCA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules. As a consequence, this money will not be segregated from Peel Hunt's money in accordance with the client money rules and will be used by Peel Hunt in the course of its own business and the Placee will rank only as a general creditor of Peel Hunt.

All times and dates in the Announcement (including this Appendix) may be subject to amendment by Peel Hunt (in their absolute discretion). Peel Hunt shall notify the Placees and any person acting on behalf of the Placees of any changes.

In the Announcement (including this Appendix), "**after-tax basis**" means in relation to any payment made to the Company, Peel Hunt or their respective affiliates, agents, directors, officers and employees pursuant to the Announcement (including this Appendix) where the payment (or any part thereof) is chargeable to any tax, a basis such that the amount so payable shall be increased so as to ensure that after taking into account any tax chargeable (or which would be chargeable but for the availability of any relief unrelated to the loss, damage, cost, charge, expense or liability against which the indemnity is given on such amount (including on the increased amount)) there shall remain a sum equal to the amount that would otherwise have been so payable.

The rights and remedies of Peel Hunt and the Company under these terms and conditions as set out in this Appendix are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

If Peel Hunt, the Company, Tilstone Partners or any of their respective agents request any information in connection with a Placee's agreement to subscribe for Placing Shares under the Placing and/or to comply with any relevant legislation, such Placee must promptly disclose it to them.

On application, each Placee may be asked to disclose, in writing or orally to Peel Hunt:

- (a) if he is an individual, his nationality; or
- (b) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified to Peel Hunt.

The provisions of these terms and conditions of the Placing may be waived, varied or modified as regards specific Placees or on a general basis by Peel Hunt without reference to any Placee and with no liability to any Placee whatsoever.

In the case of a joint agreement to subscribe for Placing Shares, references to a "Placee" in these terms and conditions are to each of such Placees and such joint Placees' liability is joint and several.

DEFINITIONS

In this Appendix to the Announcement and, as the context shall admit, in the Announcement:

'Admission' means admission of the new Ordinary Shares issued pursuant to the Placing to trading on AIM and such admission becoming effective in accordance with the AIM Rules;

'AIM' means the market of that name operated by the London Stock Exchange;

'AIM Rules' means the AIM Rules for Companies issued by the London Stock Exchange, as amended from time to time;

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

'Board' means the board of directors of the Company;

'Company' means Warehouse REIT plc;



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

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

'ERISA' means the United States Employee Retirement Income Security Act of 1974, as amended;

'EUWA' means the European Union (Withdrawal) Act 2018;

'Exchange Act' means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

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

'Final Date' means 28 February 2021;

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

'Investment Company Act' means the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder;

'London Stock Exchange' means London Stock Exchange plc;

'MAR' means the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation), which is part of UK law by virtue of the EUWA;

'Ordinary Shares' means ordinary shares of one penny (£0.01) each in the capital of the Company;

'Peel Hunt' means Peel Hunt LLP, a limited liability partnership registered in England and Wales with number OC357088 whose registered office is at 7th Floor, 100 Liverpool Street, London EC2M 2AT;

'Placee' means those persons (which may include Peel Hunt) procured by Peel Hunt to subscribe for or purchase Placing Shares pursuant to the Placing;

'Placing' means the conditional placing by Peel Hunt of Placing Shares at the Placing Price on the terms and subject to the conditions set out in this Announcement and in the Placing Agreement;

'Placing Agreement' means the placing agreement dated 5 February 2021 between the Company, Tilstone Partners and Peel Hunt in respect of the Placing;

'Placing Price' means 121.0 pence per Placing Share;

'Placing Shares' means up to 37,934,400 new Ordinary Shares to be issued by the Company for cash at the Placing Price which are to be placed pursuant to the Placing;

'Prospectus Regulation' means Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market;

'Regulation S' means Regulation S promulgated under the Securities Act;

'RIS' means the service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list on the website of the London Stock Exchange;

'Restricted Jurisdiction' means the US, Australia, Canada, Japan, New Zealand and the Republic of South Africa and any other jurisdiction in which it would be unlawful to offer the Placing Shares, or where the Placing would be required to be approved by a regulatory body;

'Tilstone Partners' means Tilstone Partners Limited, a company registered in England and Wales with number 10594167 whose registered office is at Gorse Stacks House, George Street, Chester CH1 3EQ;

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

'Shareholders' means holders of Ordinary Shares;



'UK Prospectus Regulation' means the UK version of the Prospectus Regulation which is part of UK law by virtue of the EUWA;

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

'United States' or **'US'** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

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