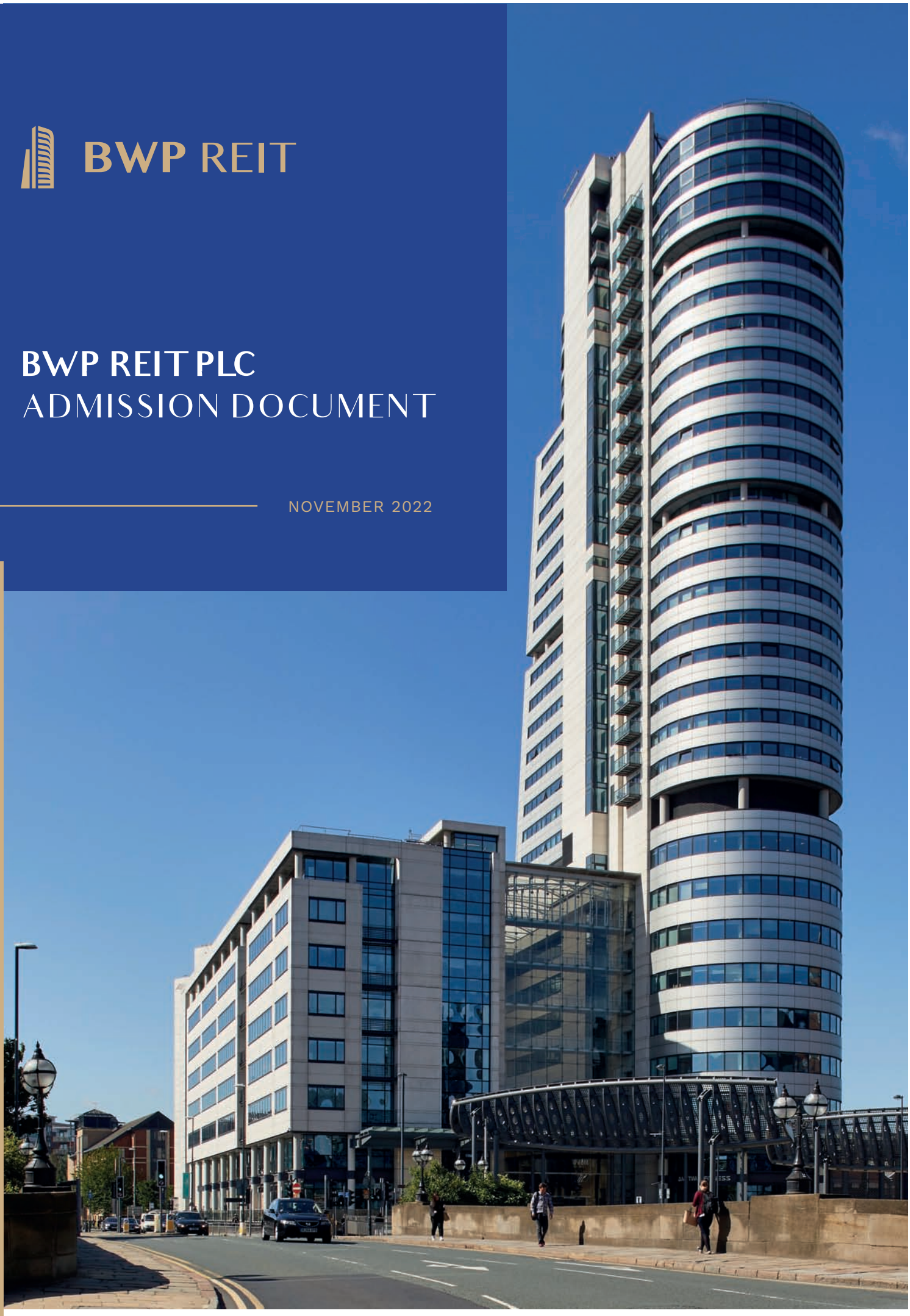
BWP REIT

BWP REIT PLC
ADMISSION DOCUMENT

NOVEMBER 2022



THIS DOCUMENT (THE "DOCUMENT") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT THEIR OWN LEGAL ADVISER, FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (the "FSMA") if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

The Company and each of the Directors, whose names appear on pages 10 and 97 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge of the Company and the Directors, having taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

Application will be made to the International Property Securities Exchange ("**IPSX**") for all of the Ordinary Shares of BWP REIT PLC (the "**Company**") issued and to be issued in connection with the Issue to be admitted to trading on the wholesale market of IPSX ("**IPSX Wholesale**"). It is not intended that any class of shares in the Company be admitted to listing in any other jurisdiction. It is expected that admission will become effective and that dealings in the Ordinary Shares will commence at 9.00 a.m. (London time) on 16 November 2022 ("**Admission**").

This Document is an admission document drawn up in accordance with the IPSX Rules and has been prepared solely in connection with the proposed application for Admission. This Document does not constitute an offer to the public requiring an approved prospectus under section 85 of the FSMA and, accordingly, this Document is not a prospectus and has not been approved as a prospectus by the FCA under section 87A of the FSMA.

The International Property Securities Exchange ("IPSX") is a market dedicated to the trading of shares in companies holding commercial real estate or infrastructure assets. The financial instruments of BWP REIT plc that will be admitted to trading on IPSX are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in companies admitted to IPSX Wholesale and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. An investment in the Company does not offer diversified exposure to a range of assets.

IPSX has not itself examined or approved the contents of this Document.

IPSX Wholesale is intended for institutional investors (as defined in the IPSX Rules) only. Please see Part IX (*Regulation*) for more details.

You should read this Document in its entirety and in particular the risk factors set out in Part II.

BWP REIT PLC

(*incorporated in England and Wales under the Companies Act 2006 with registered number 12827322*)

Issue of 35,000,000 Ordinary Shares at an Issue Price of 100 pence per Ordinary Share

and

Admission to Trading on the Wholesale market of the International Property Securities Exchange

WH IRELAND
CAPITAL MARKETS

IPSX Lead Adviser and Settlement Agent
WH Ireland Limited

The FCA has approved the Company's notification of its intention to market the Ordinary Shares in the UK, in accordance with regulation 54 of the UK Alternative Investment Fund Managers Regulations 2013.

You should only rely on the information contained in this Document. No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors, M7, WH Ireland Limited ("**WH Ireland**" or the "**Lead Adviser and Settlement Agent**") or any other person. In particular, the websites of the Company and the M7 Group (as defined herein) do not form part of this Document and should not be relied on.

WH Ireland, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as Lead Adviser and Settlement Agent for the Company and no-one else in connection with the Issue and Admission and will not regard any other persons as its client in relation to the Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of WH Ireland, nor for providing advice in connection with the Issue and Admission or any other matter or arrangement referred to in this Document.

Apart from the responsibilities and liabilities, if any, which may be imposed on WH Ireland by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither WH Ireland nor any person affiliated with WH Ireland accepts responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this Document, including its accuracy, completeness or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Issue or Admission. WH Ireland accordingly disclaims, to the fullest extent permitted by applicable law, all and any duty, liability and responsibility, whether arising in tort, contract or otherwise (save as referred to above), in respect of this Document or any such statement or otherwise.

Notice to overseas investors

The distribution of this Document and issue of Ordinary Shares in certain jurisdictions other than the United Kingdom may be restricted by law. No action has been taken by the Company to permit a public offering of Ordinary Shares or possession or distribution of this Document (or any other offering or publicity materials relating to Ordinary Shares) in any other jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Document nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Document comes are required by the Company and the WH Ireland to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this Document nor any other related documents will be distributed in or into the United States, Australia, Canada, South Africa, Japan or any other jurisdiction where such offer or sale would be unlawful. This Document does not constitute or form part of an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful, and persons into whose possession this Document comes should review the Selling Restrictions as set out at Part XI (Additional Information), paragraph 17.

This Document is not an offer of securities for sale in the United States and there will be no public offer of securities in the United States. The securities described in this Document have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be placed, sold or transferred, within the United States, except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in each case in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The securities are being offered and sold outside the United States in offshore transactions within the meaning of, and in reliance on, Regulation S under the Securities Act.

The securities described in this Document 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, determined or endorsed the merits of the securities or the accuracy or adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

Other Important Notices

In connection with the Issue, WH Ireland and/or any of its affiliates acting as an investor for its or their own account(s), may acquire Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the

Company or other related investments in connection with the Issue or otherwise. Accordingly, references in this Document to the Ordinary Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or dealing by WH Ireland and any of its affiliates acting as an investor for its or their own account(s). None of WH Ireland nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, in connection with the Issue, WH Ireland may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements where Ordinary Shares are used as collateral, which could result in WH Ireland acquiring shareholdings in the Company.

No person has been authorised to give any information or make any representations other than those contained in this Document or any supplementary admission document published by the Company prior to Admission and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or WH Ireland.

The contents of this Document should not be construed as legal, financial, business, investment or tax advice. Each prospective investor should consult his, her or its legal adviser, independent financial adviser or tax adviser for legal, financial, business, investment or tax advice. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Issue, including the merits and risks involved. Each investor also acknowledges that: (i) it has not relied on WH Ireland or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Document or its investment decision; and (ii) it has relied only on the information contained in this Document and any supplementary admission document published by the Company prior to Admission, and that no person has been authorised to give any information or to make any representation concerning the Company or any of its subsidiaries or the Ordinary Shares (other than as contained in this Document and any supplementary admission document published by the Company prior to Admission) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or WH Ireland or any of their respective affiliates.

This Document is dated 14 November 2022.

CONTENTS

		Page
IMPORTANT INFORMATION		5
EXPECTED TIMETABLE OF PRINCIPAL EVENTS		8
ISSUE STATISTICS		9
DIRECTORS, REGISTERED OFFICE, COMPANY SECRETARY AND ADVISERS		10
PART I	INFORMATION ON THE COMPANY AND THE PROPERTY	12
PART II	RISK FACTORS	24
PART III	INFORMATION ON THE AIFM AND THE ASSET MANAGER	37
PART IV	INFORMATION ON LEEDS REAL ESTATE	42
PART V	PROPERTY VALUATION REPORT	45
PART VI	THE ACQUISITION	61
PART VII	UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE GROUP	63
PART VIII	THE REIT REGIME AND TAXATION	64
PART IX	REGULATION	84
PART X	DETAILS OF THE ISSUE	86
PART XI	ADDITIONAL INFORMATION	88
PART XII	DEFINITIONS	127

IMPORTANT INFORMATION

This Document should be read in its entirety before making any application for Ordinary Shares. Investors should rely only on the information contained in this Document and any supplementary document published by the Company prior to Admission. No person has been authorised to give any information or make any representations other than as contained in this Document and any supplementary document published by the Company prior to Admission and, if given or made, such information or representations must not be relied on as having been authorised by the Company, WH Ireland or any of their respective affiliates, directors, officers, employees or agents. Without prejudice to the Company's obligations under the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time subsequent to its date.

Investors must not treat the contents of this Document or any subsequent communications from the Company, WH Ireland or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Regulatory information

This Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of this Document may be prohibited in some countries.

Prospective investors should consider (to the extent relevant to them) the notices to residents of various countries set out in paragraph 17 of Part XI (Additional Information) of this Document.

Forward-Looking Statements

This Document contains statements that are, or may be deemed to be, forward-looking statements, including, without limitation, statements containing the words "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "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 Document 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, prospects for relationships with tenants and expectations for the UK real estate market.

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 Document, those results or developments may not be indicative of results or developments in subsequent periods. There is therefore a risk that the Company's actual results of operations could differ from those expressed or implied by these forward-looking statements as a result of many factors, many of which may be outside of the Company's control, including significant business, operational and economic risks and the risks described in Part II (Risk Factors), and these differences could be material. Such forward-looking statements should therefore be read in this context and construed accordingly, and investors should not place undue reliance on them. Investors should specifically consider the factors identified in this Document that could cause actual results to differ before making an investment decision. All of the forward-looking statements made in this Document are qualified by these cautionary statements. Specific reference is made in this context to Part I (*Information on the Company and the Property*) (in particular paragraph 12 (*Exit Strategy*) and Part II (*Risk Factors*).

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 this Document. Subject to its compliance with its legal and regulatory obligations (including under the

Disclosure Guidance and Transparency Rules and Market Abuse Regulation), the Company undertakes no obligation to update or revise any forward-looking statement contained herein, nor will it publicly release any revisions it may make to these forward-looking statements, to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. The actual number of Ordinary Shares to be issued pursuant to the Issue will be determined by the Company after taking into account the demand for the Ordinary Shares and prevailing economic market conditions. The information in this Document should be read in light of the actual number of Ordinary Shares to be issued in the Issue.

Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statement made as to the sufficiency of the Group's working capital in paragraph 14 of Part XI (*Additional Information*).

Market, Economic and Industry Data

This Document contains certain market data and other information which have been extracted from official and industry sources and other sources the Company believes to be reliable. The Company has not independently verified these industry publications, surveys and forecasts and cannot guarantee their accuracy or completeness. However, such information, data and statistics have been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by the aforementioned sources, no facts have been omitted which would render the reproduced information, data and statistics inaccurate or misleading. Such information, data and statistics include certain projections and estimates of future events. Such projections and estimates are by their nature uncertain and are not statements of fact. See also the subsection titled "Forward-Looking Statements" above.

Where the information contained in this Document originates from a third-party source, it is identified where it appears in this Document together with the name of its source. Such third-party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Presentation of Financial Information

The Company was incorporated for the purpose of acquiring the Property and as at the date of this Document has no historical operations of its own, minimal capital other than that raised in respect of the Issue and has no material assets or liabilities. Therefore, this Document does not present any standalone financial information for the Company.

The key financial information on the Property is contained within Part I (*Information on the Company and Property*), Part V (*the Property Valuation Report*) and Part VII (*Unaudited Pro Forma Statement of Net Assets for the Group*) of this Document.

The Company's financial statements following Admission will be prepared in accordance with IFRS.

Non-financial information, operating data and key performance indicators

The non-financial operating data included in this Document has been extracted without material adjustment from the management records of the Company and are unaudited.

Rounding

Some financial information in this Document has been rounded. As a result of this rounding, figures shown as totals in this Document may vary slightly from the exact arithmetic aggregation of the figures that precede them. In addition, certain percentages presented in this Document reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Currency Presentation

Unless otherwise indicated, all references in this Document to "Sterling", "£", "pence" or "p" are to the lawful currency of the United Kingdom.

Investment considerations

An investment in Ordinary Shares is suitable only for investors (i) who understand the potential risk of capital loss and that there may be limited liquidity in the Ordinary Shares; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. IPSX Wholesale is intended for institutional, professional, professionally advised and knowledgeable investors who understand the potential risk from investing in companies admitted to IPSX Wholesale. Accordingly, typical investors in the Company are expected to be institutional investors.

No incorporation of website

Other than the documents available for inspection as described in paragraph 20 of Part XI (*Additional Information*) of this Document, the contents of the Company's website at www.bwpreit.com and the contents of any website accessible from hyperlinks on the Company's website or any other website referred to in this Document are not incorporated and do not form part of this Document. Investors should base their decision to invest on the contents of this Document and any supplementary document published by the Company prior to Admission alone and should consult their professional advisers prior to making an application to acquire Ordinary Shares.

Definitions

A list of defined terms used in this Document is set out in Part XII (*Definitions*) of this Document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All references to time in this Document are to the time in London, United Kingdom on the relevant date, unless otherwise stated. Each of the times and dates in the table below are indicative only and may be subject to change. Please read the notes for this timetable below.

Event	**Time and Date**
Publication of this Document	14 November 2022
Admission and commencement of dealings in the Ordinary Shares on IPSX Wholesale	9.00 a.m. on 16 November 2022
CREST stock accounts credited (where applicable)	9.00 a.m. on 16 November 2022
Despatch of definitive share certificates (where applicable)	by 30 November 2022

Note:

The times and dates set out in the expected timetable of principal events above and mentioned throughout this Document, by announcement through a Regulatory Information Service may be adjusted by the Company, in which event details of the new dates will be notified to IPSX and, where appropriate, to Shareholders.

ISSUE STATISTICS

Issue Price (per Ordinary Share)	100 pence
Number of Ordinary Shares being issued pursuant to the Issue	35,000,000
Number of Ordinary Shares in issue immediately following the Issue	35,050,000
Number of Ordinary Shares in the Issue as a percentage of total number of Ordinary Shares in existence on Admission	99.9 per cent.
Market capitalisation of the Company at the Issue Price	£35.1 million
Estimated gross proceeds of the Issue receivable by the Company	£35 million
Estimated net proceeds of the Issue receivable by the Company[(1)]	£32.2m million

Note:

(1) The net proceeds receivable by the Company are stated after the deduction of fees and expenses of the Issue payable by the Company, which are expected to be approximately £2.8 million.

DIRECTORS, REGISTERED OFFICE, COMPANY SECRETARY AND ADVISERS

Directors	Edmund Anthony Craston (Non-Executive Chairman) Ian Jeremy White (Non-Executive Director) Andrea Jane Voiels O'Keeffe (Non-Executive Director) C/O Alter Domus (UK) Limited 10th floor 30 St Mary Axe London EC3A 8BF
Registered office	C/O Alter Domus (UK) Limited 10th floor 30 St Mary Axe London EC3A 8BF
Alternative Investment Fund Manager	M7 Real Estate Financial Services Limited 10 Queen Street Place London EC4R 1AG
Asset Manager	M7 Real Estate Limited 10 Queen Street Place London EC4R 1AG
Administrator	Alter Domus Fund Services (UK) Limited 10th floor 30 St Mary Axe London EC3A 8BF
Depositary	Alter Domus Depositary Services (UK) Limited 10th floor 30 St Mary Axe London EC3A 8BF
IPSX Lead Adviser and Settlement Agent	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Solicitors to the Company	Simmons & Simmons LLP One Ropemaker Street London EC2Y 9SS
Solicitors to IPSX Lead Adviser and Settlement Agent	Pinsent Masons LLP 30 Crown Place London EC2A 4ES
Company Secretary	Alter Domus Fund Services (UK) Limited 10th floor 30 St Mary Axe London EC3A 8BF

Statutory Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Registrars to the Company	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Communications Consultant	FTI Consulting Ltd 200 Aldersgate Street London EC1A 4HD

PART I

INFORMATION ON THE COMPANY AND THE PROPERTY

1. OVERVIEW

The Company was formed for the purposes of the Issue, Admission and to buy Bridgewater Place, located on Water Lane in central Leeds (the "**Property**"). The Property is a multi-tenanted asset, largely devoted to office space and has been valued by Avison Young, professional valuers, at £63 million (as at 30 August 2022). The Directors expect the Company to be the third REIT to have its ordinary shares admitted to trading on IPSX. By virtue of its single asset nature and admission of its Ordinary Shares to trading on IPSX Wholesale, the Directors believe that the Company offers investors direct exposure to the performance of the Property, which is supported by strong Leeds office market fundamentals and the growth prospects of the local economy. The Acquisition will initially be undertaken by way of the grant by CPPI Bridgewater Place General Partner Limited (the "**Seller**") of a 999 year lease of the internal commercial areas of the Property (including the commercial common parts and the internal structural parts) (the "Commercial Long Lease" more particularly described at paragraph 11.14 of Part XI). Propco will also be granted a call option to acquire the Freehold Titles in the future for £1. This will give Propco the right to the income stream created by the commercial areas.

Following the grant of the Commercial Long Lease, the Seller is to commence the Cladding Works (being improvement works to the external structure of the Property as described in more detail at paragraph 9 of this Part I). Upon issue of the defects liability certificate in relation to the Cladding Works, it is intended that Propco will exercise its option to acquire the Freehold Titles of the Property (including the residential areas). It is anticipated this transfer will take place in approximately three years' time.

The Asset Manager also intends to carry out a capital expenditure programme, described in more detail in paragraph 9 of this Part I, to enhance the capital value of the building and reinforce its position as a modern Grade A office facility in a prime location, which it expects to be fully occupied on appropriate market rentals.

2. PROPERTY OVERVIEW

The Property

The Property occupies a central location in Leeds, in close proximity to Leeds Railway Station. The Property comprises 234,711 sq. ft. of office space with 268 basement car spaces, 15,587 sq. ft. of retail accommodation and management offices of 1,536 sq. ft.

There are 20 storeys of residential accommodation above the commercial element of the Property providing 198 apartments with associated car parking at basement level. Propco's interest will (following exercise of the option) include the freehold to the residential accommodation but the long leasehold interest of the internal parts of the residential accommodation has been sold to a third party for a term of 250 years from 25 January 2007, at a nominal rent.

Location and History

Leeds is the UK's third largest metropolitan district and one of the UK's "Big 6" office markets outside of London. It is a significant contributor to the region's £64.6 billion economy and a key part of the 'Northern Powerhouse' with a strategy to focus on investing in transport infrastructure, increasing education and skills levels, nurturing business and developing a worldwide reputation as an opportunity for trade and investment.

Leeds has benefitted from over £4 billion of investment in large scale development projects over the last 10 years, leading to significant urban regeneration. A further £7.3 billion of development was under construction and in the pipeline as of March 2022 (*source: www.leeds.gov.uk/leeds-economy*).

The Property is located on a three acre freehold site in the centre of Leeds and occupies a high profile position fronting Victoria Road at its junction with Water Lane. Victoria Road is the main arterial link between Leeds city centre and the M621 motorway. In addition to being in a high profile position, the Property is the second tallest building in Yorkshire with a height of 110 metres and one of the tallest buildings in the north of England.

The Property reached practical completion in April 2007 and has been under the same control since its construction. The Property comprises two separate (but inter-connecting) structures either side of the central atrium, the west wing and east wing, with a residential tower above part of the west wing.

The west and east wings contain retail units on the ground and 1st floor (atrium level). Commercial office space is located in the east wing of the 1st floor and in the east and west wings of the 2nd to 9th floor (9th floor is west wing only). There is vegetation on the roof of the east wing (9th floor) and the 10th floor of the west wing. The residential tower is from the 11th to 30th floors. There are two levels of parking (basement and ground level). In recent years there has been a lack of investment in the Property which has resulted in a backlog of modernisation and refurbishment work. This, combined with the fact that the Property now also requires essential remedial work to the cladding, is reflected in the terms of the Acquisition.

Wind

Following the Property reaching practical completion in April 2007, it became apparent that the Property had created an unacceptable wind microclimate, principally to the north of the Property on Water Lane and also at the junction with Water Lane/Neville Street. It was found that the Property was accelerating winds coming from a westerly direction and also creating wind downdraft from the residential tower. As a result, a wind mitigation scheme (the "**Wind Scheme**") was implemented, with construction of the Wind Scheme (comprising a canopy, five screens on the west side of the building and three 'baffles' in Water Lane) being completed in August 2018. Leeds City Council put in place a high wind procedure by which part of the Water Lane was closed in high winds.

Following installation of the Wind Scheme the same 16 locations that were tested before the Wind Scheme was installed were tested on site again. This showed that all test points to the north of the building (the main entrance) passed the Lawson Criteria for frail and elderly people.

One test point to the south of the building in the service yard failed the Lawson Criteria for frail and elderly people (who would generally not be expected to be in a service yard) but not for able bodied persons. A management protocol has been implemented to ensure the safety of service yard users.

A further test point in the rear courtyard of the Property also failed the Lawson safety criteria. An additional wind screen was constructed in this location and it was re-tested. Testing showed that the test point passed the Lawson safety criteria for frail and elderly people.

Following the completion of the Wind Scheme, based on the on-site wind testing carried out and following review by its own wind expert, RWDI, Leeds City Council lifted the high wind procedure at its executive meeting in October 2019. At the meeting it was noted that no additional complaints about high winds surrounding the Property had been reported since the completion of the Wind Scheme. The Seller has indicated that there have been no further complaints or incidents since that time. Propco will take on the existing maintenance contract for the screens, canopy and baffles. The cost of the maintenance of the Wind Scheme cannot be recovered from the tenants of the Property by way of the service charge and will be an on-going cost to Propco. The cost of ongoing maintenance of the Wind Scheme is approximately £120,000 NPV for the life time of the scheme.

Tenure

The Property is formed of three title numbers:

a) the freehold land in title number WYK717020 for which the description on the title register is land on the West side of Victoria Road, Leeds;

b) the freehold land in title number WYK755208 for which the description on the title register is land lying to the south of Water Lane, Leeds;

c) the freehold land in title number WYK717029 for which the description on the title register is land on the North side of Back Row, Holbeck, Leeds,

together (the "**Freehold Titles**").

Initially the Freehold Titles will not pass to Propco which will instead be granted a 999 year internal lease of the commercial areas of the Property (including the commercial common parts and the internal structural parts). HMRC have agreed a zero rating of the Cladding Works (see paragraph 9) but the Seller needs to remain as the freeholder and implement the contract. Following the grant of the Commercial Long Lease to Propco, the Seller is to commence the Cladding Works. Upon issue of the defects liability certificate in relation to the Cladding Works described in more detail at paragraph 9 of

this Part I below, it is intended that Propco will exercise its option to call for the transfer of the Freehold Titles from the Seller for £1. When the Freehold Titles transfer, the Commercial Long Lease will be collapsed.

The internal demise of the residential accommodation has been sold off under a long lease dated 25 January 2007 made between the Seller and KWL Bridgewater Place Limited as varied by a deed of variation made between the original parties dated 20 November 2008. The lease was granted for a premium of £14 million and there is a nominal rent. It expires on 24 January 2257 and is registered under title number WYK842625. The lease demise comprises parts of the basement, ground floor and floors 1-10 inclusive and the whole of floors 11-30. The current registered proprietor of the lease is Aviva Investors GR SPV3 Limited (company registration: 6654618) which is not related to the Company and is not part of the Group.

The lease is subject to an underlease dated 20 November 2008 of the whole of the demise of the lease which is registered under title number WYK894747 and there is a further sub-underlease of whole dated 21 June 2007 which is registered under title number WYK854569 and the individual residential flats are granted out of this.

The key information in respect of the Property as at 30 August 2022, is summarised in the table below:

Sector of leases (by contracted rent)	Office & associated car spaces: 95.52 per cent. Food & beverage, leisure: 2.67 per cent. Retail: 1.36 per cent.
AY valuation as at 30 August 2022	£63 million
Net initial yield, assuming standard market purchase cost	8.58 per cent.
Contracted rent (per annum)(1)	£5.97 million
Passing rent (per annum)(2)	£5.77 million
Market rental, assuming 100 per cent occupancy (per annum)(3)	£7.68 million
Market rental	£30.49 per sq. ft. (based on 251,834 sq. ft.)
Number of tenants(4)	11
Number of leases(4)	14
Weighted Average Unexpired Lease Term	3.74 years to break and 3.93 years to years to expiry
Diversification	Largest tenant by contracted rent: Eversheds Sutherland (International) LLP with 48.4 per cent. of the total floor area of the Property Top three tenants account for approximately 77 per cent. of the total floor area of the Property
Total area	251,834 sq. ft.
Vacant units(4)	One retail unit on the first floor and the whole of the ninth floor
Total area of vacant units	19,968 sq. ft., 7.93 per cent. of total area (251,834 sq. ft.) plus 22 parking spaces
Market rental of vacant units (per annum)	£623,500
Market rental of vacant units (per annum) excluding parking spaces	£28.47 per sq. ft.

Notes:

1 Contracted rent is the annualised gross rent before rent free incentives or phased rents have been deducted.

2 Passing rent is the annual rental income currently receivable.

3 The Market rent is the 'headline' market rent and is on the assumption that the refurbishment works proposed have been completed.

4 Post the valuation date of 30 August 2022, one retail tenant, which occupied a unit of 875 sq. ft., has ceased operation and vacated the Property.

3. HISTORICAL FINANCIAL INFORMATION

As at the date of this Document the Company has not traded.

For the Company's first accounting period to 31 December 2021, the Company was entitled to exemption from audit under section 480 of the Companies Act on the basis of being a small company that was dormant throughout the accounting period.

The Company has changed its year-end to 30 September and so will prepare accounts for the nine months to 30 September 2022 which is immediately prior to Admission and the Acquisition of the Property.

On the basis that the Company has no trading history, with negligible assets (£50,000 share capital (to be paid up immediately prior to Admission) and its rights to acquire the Property) or liabilities, this Document does not present any standalone financial information for the Company.

4. THE ACQUISITION AND PAST TRADING

The Company was incorporated for the purpose of acquiring the Property and has no trading history. It entered into a sale and purchase agreement on 22 April 2022, which will be varied on immediately prior to Completion to provide for the grant of the Commercial Long Lease subject to a number of conditions, pursuant to the general undertaking dated 14 November 2022 given by the solicitors acting for the parties to the transaction governing Completion mechanics (the "**General Undertaking**"). The General Undertaking will also provide for novation of the Facility.

From the net proceeds of the Issue and the Facility, the Company will complete the Acquisition through its wholly owned subsidiary, Propco. It will then own a leasehold property valued at £63 million. The purchase price and valuation of the Property reflects the building modernisation and essential Cladding Works required. The Acquisition will be funded by a loan of £38.6 million as well as the net proceeds of the Issue (approximately £32.2 million). The cash from the net proceeds of the Issue will also be used to pay the Acquisition costs (including SDLT) and banking costs. Monies borrowed pursuant to the Loan Note Arrangements of £23 million and the remaining net proceeds will be applied to the Company's asset management plan being building modernisation including the Sprinkler Works (approximately £9 million) and the Cladding Works (approximately £11.5 million together with a contingency for inflation and storage cost of materials of £3 million).

Your attention is drawn to the Unaudited Pro Forma Statement of Net Assets for the Group is set out in Part VII (*Unaudited Pro Forma Statement of Net Assets for the Group*) of this Document.

Past Trading

As noted above the Company has no trading record and no historic financial information has been included in this Document for the Company.

The financial record of the Property, which is currently owned by the Seller, is also not included as the Directors do not consider that the trading record is relevant to investors. IPSX has granted a waiver from the requirement to include the historical financial information of the Seller within this Document. The Property has had a number of changes to its funding and operations in recent years which make it difficult to make a relevant comparison to the new structure. In short, the management of the Property will change along with the operating cost base and the financial structure. The Directors draw the attention of investors to the valuation included in Part V (*Property Valuation Report*) which has been carried out by a third party valuer, Avison Young, as at 30 August 2022. This provides an up to date value of the Property as well as key information on the current contracted rentals and tenants. As to the future cost base of the Group, details are included in paragraph 13 of this Part I below and in paragraph 11 of Part XI (*Additional Information*) of the principal service providers covering the main costs of the new operating company. Financing costs from the Facility and the Loan Note Arrangements are described in paragraph 7 in this Part I below.

In order to provide an indication of the past rental income relating to the Property, the table below sets out the unaudited rental income for the three years ended 5 April 2022 from the accounting records of the Seller:

Year ended 5 April	**2020**	**2021**	**2022**
Rental income	£5.9 million	£5.6 million	£5.3 million

Rental income for the periods stated in the above table have shown a slight downward trajectory primarily because in respect of a significant tenant lease, a reversionary lease was put in place in 2020 which involved six months rent free from 25 December 2020 and twelve months half rent to 24 June 2022.

5. THE LEEDS PROPERTY MARKET

Leeds is the UK's fastest growing city and the main driver of the city region's £64.6 billion economy (*source: https://www.leeds.gov.uk/leeds-economy*). Leeds has benefitted from over £4 billion of investment in large scale development projects over the last 10 years, leading to significant urban regeneration.

Leeds is one of the UK's 'Big 6' office markets outside the capital. Structural shifts, reduced supply and increased government exposure to the regions, have created a shortfall in office supply and increased rental values. Good office market fundamentals are supported by continued decentralisation of tenants from London – particularly in the public sector. Investors are presented with the opportunity to invest in one of the stronger real estate cities in the UK. The city's central position within the UK and strong transport links enable expedient accessibility to London, in two hours 15 minutes, and Edinburgh, in three hours.

Leeds is a key part of the 'Northern Powerhouse', a collaboration of 11 northern enterprise partnerships as well as North Wales. The Northern Powerhouse strategy focuses on investing in transport infrastructure, increasing education and skills levels, nurturing business and developing a worldwide reputation as an opportunity for trade and investment.

The availability of city centre, Grade A office space has decreased to its lowest level for two years with a vacancy rate of 2.9 per cent. of Grade A office space which is below the five year average of 6.1 per cent. in Q2 2022 (source: Jones Lang LaSalle, Big Six, August 2022). Headline prime rents increased in Q2 2022 to £34.00 per sq. ft. This equated to 3.0 per cent. rental growth quarter on quarter, which was the strongest of the 'Big 6' cities, and just under 5.0 per cent. growth year on year (source: Jones Lang LaSalle, Big Six, August 2022). Overall, the Asset Manager believes that demand will increase at a faster rate than supply for Grade A office space, creating a further shortage of Grade A office space and consequently upward pressure on rental rates.

Further information of the Leeds real estate market is described in Part IV (Information on Leeds Real Estate).

6. REASONS FOR THE ISSUE AND USE OF PROCEEDS

Propco, a subsidiary of the Company, has entered into the Sale and Purchase Agreement under which it has agreed to acquire the Property by way of the grant of the Commercial Long Lease subject to the satisfaction of various conditions as described above. The Company intends to use the proceeds from the Issue together with the proceeds of the Facility to purchase the Property and to cover the costs of the Acquisition, banking costs and Admission. The £23 million borrowed by Propco pursuant to the Loan Note Arrangements and the remaining net proceeds will be applied to the Company's asset management plan being the building modernisation (approximately £9 million which includes approximately £0.75m for the Sprinkler Works) and the Cladding Works (approximately £11.5 million together with a contingency for inflation and storage costs for materials of £3 million).

Completion of the Acquisition will take place automatically immediately following Admission pursuant to the terms of the General Undertaking. In the event that the Company fails to complete the Acquisition of the Property, the Directors will return funds to investors.

7. FUNDING

Propco, a wholly owned subsidiary of the Company, has entered into the funding arrangements set out below:

a) Propco has conditionally agreed (by way of novation) to assume approximately £38.6 million of borrowings under the Facility (made available by Barclays and funds managed by LaSalle Investment Management, as lenders) for a term of 24 months from Completion at a margin of 275bps over SONIA for the initial 12 months, increasing to 325bps for the 13-24 month period. The Company is obliged to take out a fixed interest rate swap which it will do following Completion and which is expected to add a further 5 per cent. cost to the Facility based on end September 2022 SONIA swap rates (see paragraph 8 below). There will be no arrangement fee in respect of the novation; and

b) Propco has borrowed (indirectly from third party investors) £23 million for a term of five years (expiring on 19 April 2027) with an interest rate of 10 per cent. per annum, payable quarterly in arrears, pursuant to the Loan Note Arrangements. The amounts borrowed pursuant to the Loan Note Arrangements will be applied towards the Cladding Works and the other capital expenditure planned for the Property.

Further terms of these funding arrangements are set out in paragraphs 3 and 4 of Part VI (*The Acquisition*).

The Company intends to refinance the Facility during the course of the 24 month period from the date of Completion. However, there is no guarantee that it will be able to refinance the Facility on acceptable terms or at all. Your attention to drawn to the Risk Factor headed "*The Company is subject to the risk that it will not be able to refinance the Facility on acceptable terms or at all within 24 months*" in Part II (Risk Factors).

8. INTEREST RATES AND HEDGING

The interest rate environment has changed markedly since the beginning of 2022 in part as the effects of Covid on supply chains and productivity became clearer and exacerbated by the Russian invasion of Ukraine in February 2022. This has fed through into cost inflation which has been increased by the substantial increase in gas prices as supplies from Russia have been curtailed. Inflation measured by CPI was reported at 9.9 per cent. per annum in the UK at the end of August 2022. This has led to the Bank of England to raise interest rates, including 0.5 per cent rises in August and September 2022 to a level of 2.25 per cent. on 22 September 2022 (end December 2021 – 0.25 per cent.). On 3 November 2022, a further 0.75 per cent. increase in the base rate was implemented by the Bank of England taking the rate to 3.0 per cent.

In commercial markets this has had the effect of substantial increases in short-term interest rates, although longer term rates remain slightly lower. The SONIA (Sterling Over Night Index Average) swap rates for two years were in excess of 5 per cent. at the end of September 2022 as compared to approximately 0.5 per cent. at the end of September 2021 and 3.758 per cent. at the end of August 2022. Following the increase in the Bank of England base rate on 3 November 2022, the SONIA swap rate for two years has steadied at below 4.5 per cent.

In this context, the Directors believe the following to be relevant:

– There can be no certainty when the Russian invasion of Ukraine is likely to be resolved with its direct impact on gas prices or when alternative energy sources are obtained so as to reduce inflationary pressures.

– The Company's cashflow plan in the next two years has sufficient contingencies that even a prolonged period at current rates would not result in liquidity problems or a breach of the covenants under the Facility.

Nonetheless the impact of current interest rates may reduce eventual returns for shareholders and may result in difficulties in refinancing the Facility. In addition, if the interest cost is such that the Interest Cover Ratio for REIT purposes (pre interest profits: interest charge) falls below 1.25 times this may result in surplus interest being subject to corporation tax at 19 per cent. The Directors have been

advised that this should not affect the Company's REIT status. Your attention to drawn to paragraph 3.4 of Part VIII of this Document for further information.

Your attention is drawn to the Risk Factor headed "*The current economic disruption, in part created by Covid-19 and the invasion of Ukraine, has led to a sharp rise in inflation which may disrupt the long-term plans of the Company*" in Part II (*Risk Factors*).

9. ASSET MANAGEMENT STRATEGY AND CAPITAL EXPENDITURE

Asset management strategy

The Directors and M7, believe that a number of active asset management initiatives and capital expenditure programmes should reposition the Property as a high quality, energy efficient building offering flexible and affordable office space. The Directors and M7 expect this will drive its rental value, income profile and WAULT and thus the Property should be more attractive to institutional property buyers.

The key active asset management initiatives are set out below:

An important element of the asset management strategy will be to lease the currently vacant 9th floor (18,098 sq. ft. and 22 associated parking spaces) with an expected increase in the total rent roll of approximately £0.6 million per annum, as well as reducing service charge leakage. The Asset Manager intends that this floor will not be released to the market until specific improvement projects have been completed (expected to occur by H1 2023), thereby enabling the best and highest rent to be secured. The 9th floor of the Property is currently vacant and there are also two vacant retail units on the ground floor (one of which has become vacant post the valuation date). In addition a number of office tenants have their leases expiring within the next three years which in aggregate account for 26.4 per cent. of total income (and four of which have leases expiring in 2023 which account for 3.5 per cent. of the Property's total floor area).

There are also a number of opportunities to improve the net operating income through upcoming rent reviews, potential lease re-gearing and lease extension negotiations and /or the removal of break options. A small number of leases are due to expire in the next 12 to 18 months, one tenant has indicated that they will be relocating to another building in Leeds and negotiations are taking place with other tenants in relation to lease extensions and renewals.

However, for the next three years, the Asset Manager will embark on a comprehensive cosmetic and mechanical plant and equipment upgrade of the Property which, because the Seller has been capital starved for a number of years, has not been undertaken on a programmed basis. All the anticipated work, including the Fire Safety Works (as described below) can be undertaken with the existing tenants in situ. The likely programme of works, for which the capital will have been raised largely from borrowings pursuant to the Loan Note Arrangements, will include:

- The building atrium: the Property boasts a very large atrium which has never been adequately deployed or utilised as an amenity for the building. Reconfiguring and adapting the atrium should provide more contemporary and usable amenity space for tenants, such as a business lounge, coffee stations or even co-working space with consequent income generating potential and a better arrival experience for tenants and guests of the building. The Asset Manager's goal is to create a thriving community space for the building occupiers.

- Common Areas, bathrooms, showers, bike storage, lift lobby and lift car upgrades: while many of the common parts of the building are currently demised to existing tenants, a programme of cosmetic upgrades to replace dated materials and refresh the common parts will be undertaken at the Company's expense to achieve a more modern and contemporary appearance and improve the "experience" for the occupiers. This cosmetic enhancement programme will be scheduled to coincide with key lease events to maximise the prospect of retaining existing tenants.

- Energy efficiency, EPC rating and mechanical plant and equipment upgrades: the relative under-investment by the Seller in planned improvements to the physical plant and energy efficiency measures requires that elements of the Property's systems and power consumption are brought up to modern day standards. The Asset Manager will explore a number of opportunities to reduce

the carbon impact of the Property through new, more efficient mechanical plant and equipment by engaging with the occupiers and stakeholders to better understand their needs and priorities. The Directors believe targeting an improved carbon efficiency and EPC rating will attract occupier demand. The Asset Manager's goal is to ensure the Company delivers an asset with strong ESG credentials to compete with the significantly higher levels of embodied carbon associated with newly constructed buildings and work with its ESG partner to develop a pathway to Net Zero.

- Asset repositioning/branding: The Property is a well-known Leeds landmark but which, with the passing of time, has lost its lustre even though the location and car parking facilities are increasingly attractive qualities. The Asset Manager believes that, with careful branding, marketing and active management, the physical qualities of the Property, its EPC, new amenities and affordability relative to newly constructed buildings will reposition the building favourably for the future.

Fire Safety Works

In the aftermath of the Grenfell Tower fire in June 2017 and the recent investigation into the cladding and insulation installation at the Property, fire safety remedial works are now required on the residential tower and some sections of the commercial building. There are a mixture of cladding systems in the building including glazing, pre-cast concrete panels and a curtain walling system in the residential tower. The intended works include:

- installation / replacement of cavity barriers and improved fire stopping to ensure that a fire cannot travel 'hidden' in cavities;
- the replacement of various insulation materials (including energy upgrades); and
- the installation of a sprinkler system to all apartments in the residential tower; the commercial space is already sprinklered.

In addition to the asset management strategy above, the Seller and the Company have agreed on a programme of works to replace insulation behind the cladding (estimated cost £11.5 million together with a contingency for inflation and storage costs for materials of £3 million) (the "**Cladding Works**"). The total cost of the Cladding Works, having taken steps to mitigate inflation costs in relation to building materials, as at 30 August 2022, is estimated to be approximately £14.5 million. It is intended that the Seller (as developer) will enter into a conditional contract with Clearline (a specialist curtain wall and cladding contractor) to implement the Cladding Works. Propco will also install sprinklers (estimated cost £0.75 million) to the residential apartments (the "**Sprinkler Works**"). The costs of the Cladding Works and the Sprinkler Contract will be funded from the Loan Note Arrangements referred to in paragraph 9(b) above. The building modernisation and Fire safety Works have been reflected in the purchase price and valuation of the Property (see part V (Property Valuation Report) for further information), with an estimated cost of approximately £14.9 million which includes an inflationary contingency.

Building Safety Fund

The UK Government has set up the Building Safety Fund to provide grant funding for fire safety remedial works.

The Seller has made an application to the Building Safety Fund for a monetary grant for the Cladding Works. The Seller's initial application was only partially successful and in order to maximise chances of a larger award, a new application made on the basis of a different technical approach has been made. There is no guarantee that this new application will be successful (partially or otherwise).

If a grant is made, Propco could receive up to £5 million from the Seller. No assumption that this amount will be received is included in the projected increase in the capital value of the Property as described (for illustrative purposes) in paragraph 12 of this Part I or in the working capital statement in paragraph 14 of Part XI (*Additional Information*).

The Seller has drawn up the Cladding Works with its technical team and has made the application to the Building Safety Fund.

VAT

The Seller has also made an application to HMRC for a clearance to zero rate the Cladding Works for VAT purposes. The application to HMRC has been successful, on the condition that the Seller (as original developer) must remain as freeholder during the Cladding Works and that it should be the employer under the Cladding Contract. As a result, the works will be overseen by the Asset Manager under the terms of the Development Funding Agreement set out in paragraph 11.14 of Part XI.

Conduct of the Cladding Works

Given the Seller's considerable knowledge of the Property and the significant intricacies of the physical and procedural work involved in rectification, it has been agreed that the Seller will remain contractually responsible for the delivery of the Cladding Works as follows:

- on Completion, the Seller will remain as freeholder of the Property in order to provide it with the legal standing it requires to progress its application to the Building Safety Fund and comply with the condition set by HMRC for VAT exemption and will remain responsible to undertake the works; and
- the Seller will also enter into the Cladding Contract and the consultant appointments and Propco will provide funding to the Seller for the Fire Safety Works via the Development Funding Agreement (a summary of which is set out in paragraph 11.13 of Part XI (*Additional Information*) which contains obligations on behalf of the Seller to Propco in relation to the delivery of the project.

It is anticipated that the Cladding Works will be practically completed within two years of Completion, with the defect liability period lasting for a further 12 month period thereafter. It is expected that Propco will exercise its option to acquire the Freehold Titles at the end of the defect liability period.

10. VALUATION POLICY

The valuation was conducted on the Property by Avison Young as at 30 August 2022 and is set out in Part V (Property Valuation Report) of this Document. Avison Young was appointed under an engagement letter dated 8 February 2022 between Avison Young, the Company and WH Ireland.

The AIFM will ensure that (i) a proper and independent desktop valuation is performed on a quarterly basis; and (ii) a proper and independent full valuation (involving inspection) is performed on an annual basis, in each case in accordance with the Company's valuation policy, the Articles, and the AIFM Rules and that such valuations comply with the IPSX Rules. The AIFM's valuation committee formed to approve such valuations will be functionally independent from the portfolio management function (within the meaning of the AIFM Rules).

The AIFM has appointed the Asset Manager to calculate the GAV, NAV and NAV per Ordinary Share, but the determination of the GAV, NAV and NAV per Ordinary Share shall remain the responsibility of the AIFM.

Valuations will only be suspended in circumstances where the underlying information necessary to value the Property cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the independent valuer) which prevents the Company from making such valuations. Details of any suspension in the making of such valuations will be announced by the Company via a Regulatory Information Service announcement as soon as practicable after the relevant valuation date.

11. DIVIDEND POLICY

The Directors will consider the cash flows of the Group and the prime importance of its asset management strategy when considering the payment of dividends. The Directors consider that the payment of dividends is a secondary consideration to creating a first class, fully let asset and to maximise the value of the Property. As such, no target has been set for the level of dividends payable or the timing of the payment of such dividends. Once all building improvement works have been completed this will be reviewed by the Directors.

In order to obtain and comply with REIT status, the Company will be required to meet a minimum distribution requirement for each year that it is a REIT. This minimum distribution test requires the Company to distribute (by way of a dividend in cash or by way of an issue of share capital in lieu of a cash dividend) on or before the filing date for the Company's tax returns for the accounting period in question, 90 per cent. of its qualifying profits (if any) from Property Rental Business for each accounting period, as adjusted for tax purposes.

The amount, timing and frequency of future dividends will be at the sole discretion of the Board and will be declared based upon various factors, including but not limited to, the return on capital of available investment opportunities, the Group's financial condition and operating cash flows, loan covenants and REIT requirements.

12. EXIT STRATEGY

The focus of the Asset Manager is to oversee the necessary Cladding Works under the Cladding Contract, the Sprinkler Works pursuant to the Sprinkler Contract and to carry out a capital expenditure programme to enhance the capital value of the building and reinforce its position as a modern office facility in a prime location, fully occupied on appropriate market rentals.

On completion of the remedial works and repositioning of the asset, the Board will seek to optimise shareholder returns by either:

– an outright sale of the Property or the Company; or

– listing the Company on the IPSX Prime market if the Directors are advised that the enhanced liquidity will provide shareholders with a choice to either exit or retain their investment at an appropriate value.

The Company is projecting the value of the Property on exit to increase to around £130 million which would imply an equity multiple of 1.78 times initial investment in the event of a sale of the Property and the Asset Manager believes this can be achieved after three years. This projection is primarily based on a fully let building at Market Rentals with completed capital expenditure programmes and using current market transaction yields. This would equate to an IRR of approximately 21.6 per cent over this three year period.

The return projections above, which are based on the Company's financial model, are projections only and not a forecast. They may be subject to amendment following review of the Company's model and other factors such as recent property transactions and macro-economic factors which are inherently uncertain. There can be no assurance that these projections will be met, and it should not be taken as an indication of the Company's expected future results. Accordingly, potential investors should not place any reliance on these projections in deciding whether or not to invest and should decide for themselves whether or not these projections are reasonable or achievable.

13. CONTRACTORS AND SERVICE PROVIDERS

The Company has appointed M7 Real Estate Financial Services Limited as AIFM in an agreement dated 14 November 2022 between, amongst others, the Company, Propco and the AIFM. For further details of this agreement, see paragraph 11.3 of Part XI (*Additional Information*).

The Company has appointed M7 Real Estate Limited as the Asset Manager in an agreement dated 14 November 2022 between, amongst others, the Company, the AIFM and the Asset Manager. For further details of this agreement, see paragraph 11.4 of Part XI (*Additional Information*).

Propco will appoint a property manager to provide property management services and facilities management services in respect of the Property upon completion of the Fire Safety Works. In the interim and during the period of the Fire Safety Works, Jones Lang LaSalle Limited (the "**Property Manager**") will provide property management services pursuant to its existing property management agreement with the Seller. Propco will have delegated authority by way of a side agreement made between the Seller, Propco and the Property Manager (the "**Property Management Side Agreement**") to give instructions to the Property Manager in respect of the commercial areas of the Property in order to execute its asset management strategy. For further detail in relation to the Property Management Side Agreement, see paragraph 11.5 of Part XI (*Additional Information*).

The Company has appointed Alter Domus Fund Services (UK) Limited as administrator in an agreement dated 14 November 2022 between the Company, AIFM and Alter Domus Fund Services (UK) Limited. For further details of this agreement, see paragraph 11.6 of Part XI (*Additional Information*).

The Company has appointed Alter Domus Depositary Services (UK) Limited as Depositary in an agreement dated 14 November 2022 between the Company, AIFM and Alter Domus Depositary Services (UK) Limited. For further details of this agreement, see paragraph 11.7 of Part XI (*Additional Information*).

14. TAKEOVER CODE

The Company is subject to the Takeover Code. The Takeover Code is intended to provide protections for shareholders against takeovers or where a change of control is sought, that do not provide for equal treatment for all shareholders.

In particular, the Takeover Code provides that any person who acquires an interest in shares which, taken together with shares in which persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code, they are normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, are interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a Company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if such person, or any person acting in concert with him, acquires any interest in any further shares increasing that person's percentage of voting rights.

15. INSURANCE

The Group maintains insurance coverage for its business and operations in amounts and with conditions that are customary for its industry including directors' and officers' liability and other general insurance policies. Until the transfer of the Freehold Titles to Propco as detailed above, the property and public liability insurance will remain with the Seller with Propco's interest noted. Once Propco is the freeholder, its insurances will include insurance coverage for property damage and public liability. The Directors consider the interim property insurance arrangements to be satisfactory and the level of insurance cover generally to be reasonable for the Group's business and the risks it faces. This cover will be regularly reviewed, renewed and adjusted as necessary.

16. EMPLOYEES

As at the date of this Document, the Company does not have any employees.

17. INVESTMENT POLICY

The Company's investment policy is to purchase the Property immediately following Admission (using the net proceeds of the Issue and the drawdown of the Facility) which will then be managed in line with the strategy described in this Document for the benefit of the shareholders. The investment policy does not envisage the purchase of any further property assets. The Company may also undertake certain appropriate investments with any residual monetary balances for the purposes of cash management and managing interest rate risk or other financial exposures.

18. REPORT AND ACCOUNTS

The annual report and accounts of the Company will be made up to 30 September in each year. The first annual report as a listed company will be prepared for the period to 30 September 2023. The Company will also publish unaudited half-yearly reports to 31 March. The first half-yearly report will be prepared to 31 March 2023.

The Company's financial statements will be prepared in accordance with IFRS.

19. TAXATION/STRUCTURE AS A REIT

The Company will apply to become a REIT as soon as (a) Admission has occurred, (b) Completion has occurred and (c) the Company has given notice to HMRC (in accordance with Section 523 CTA 2010) that it intends to join the REIT regime following Admission and Completion and this notice being accepted by HMRC. The Company will be required to comply with certain ongoing regulations and conditions (including minimum distribution requirements) thereafter. Potential investors are referred to Part VIII (The REIT Regime and Taxation), of this Document for details of the REIT regime and taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately. The Company has taken tax advice, and on the basis of that advice the Directors confirm that the Company expects to meet the REIT conditions with effect from Admission and Completion.

The ongoing conditions of the UK REIT regime also require the Company to ensure the ratio of profits (as defined) to interest charge does not fall below 1.25 times the interest charge. If the interest charge exceeds the ratio, then the excess over the above ratio will be subject to UK corporation tax, currently at 19 per cent. This additional tax charge could affect returns to investors but the Directors have been advised that this should not be material and that it should not affect the Company's REIT status. See Interest Rates and Hedging in paragraph 8 in this Part I above.

20. REGULATORY STATUS OF THE ORDINARY SHARES

The Company is not regulated as a collective investment scheme by the FCA. As a REIT, the Ordinary Shares will be "excluded securities" under the FCA's rules on non-mainstream pooled investments for the purposes of COBS 4.12 of the FCA Handbook. Accordingly, the promotion of the Ordinary Shares will not be subject to the FCA's restriction on the promotion of non-mainstream pooled investments. Under the AIFM Rules, the Company operates as an externally managed alternative investment fund, with M7 Real Estate Financial Services Limited being the Company's external AIFM, which is authorised and regulated by the FCA.

PART II

RISK FACTORS

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

The Directors consider the following risks to be material for prospective investors in the Company. However, the following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in the Ordinary Shares and should be used as guidance only. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property. In any such case, the market price of the Ordinary Shares could decline, and investors may lose all or part of their investment. Investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information in this Document and their personal circumstances. If investors are in any doubt about any action they should take, they should consult a competent independent professional advisor who specialises in advising on the acquisition of publicly traded securities.

The information included herein is based on information available as at the date of this Document and, except as required by the IPSX Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules or any other applicable law, will not be updated. Any forward-looking statements are made subject to the reservations specified under the heading "Forward-looking statements" in the section titled "Important Information" of this Document.

Prospective investors should read this section in conjunction with this entire Document.

RISKS ASSOCIATED WITH THE COMPANY AND THE PROPERTY

1. Completion of the programme of works to replace the cladding on the Property is subject to timing, contracting and regulatory risk

Following the Grenfell Tower fire in June 2017 and as a result of a recent investigation of the Property, it was determined that a substantial part of the cladding needed to be replaced to conform with new fire retardant material guidelines. A contract has been agreed to replace this cladding in the amount of approximately £11.5 million (together with an additional contingency of £3 million for inflation and storage costs of materials).

With any contract on this scale there are a number of risks:

- Ability to complete the programme of works set out in the Cladding Contract on time due to technical difficulties, supply of materials and manpower.
- Ability to complete the works within the estimate or contracted amount resulting from inflationary costs of materials and unforeseen delays.
- Obtaining all necessary approvals from Building Regulations, the Fire Brigade and other parts of Leeds City Council.
- Risks of contractors and sub-contractors being unable to complete works due to financial difficulties.

Problems with completing the works on time and on budget could affect the valuation of the Property and the ability to let vacant space or renew tenancies which could have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property.

2. The Property has a high concentration of rental income from a limited number of tenants and as such the Company will, post Completion, have greater risk to its rental income than companies owning properties with a more diversified tenancy schedule

The Property has a high concentration of key tenants, with the top three tenants accounting for 77 per cent. of the Property's total floor area (and a higher proportion of current contracted rent). A loss of a key tenant would therefore have a material adverse effect on the Company's business, financial condition, results of operations, ability to complete its Asset Management strategy and thus could affect the valuation of the Property.

3. The Company will, on Completion, become a single asset owning REIT and unlike other quoted companies will not have a diversification of risk that portfolio based companies seek to achieve

The Company's only asset on Completion will be the Property and therefore, unlike most other quoted companies, the Company will not have a diversification of risk that portfolio based companies typically seek to achieve. Whilst this single asset strategy is intentional to provide individual investors access to institutional type property investment and is integral to the quotation on IPSX, the result is that investors are more exposed to risks relating to the Property, such as the loss of an important tenant, localised economic or regulatory issues relating to Leeds or Yorkshire (including events or developments beyond the control of the Company) or physical damage to the Property, than those companies with a diversified portfolio (particularly those with a geographically spread portfolio or broader tenancy base). A loss of a key tenant, any localised economic or regulatory issues or physical damage to the Property could therefore have a material adverse effect on the Company's business, financial condition results of operations, prospects and/or the valuation of the Property.

4. Asset management initiatives may be more expensive than anticipated and take longer to implement

In accordance with its asset management strategy, the Asset Manager intends to undertake certain asset management initiatives such as modernising and improving the marketability of the Property through the completion of several work programmes. These works may be more extensive, expensive and take longer than anticipated or not develop as expected. The ability to carry out refurbishment works may be adversely affected by a several factors including inflationary pressures, planning legislation, the need to obtain other licences, consents and approvals and the existence of restrictive covenants. In implementing refurbishment works the Company will rely upon the performance of third party service providers and contractors. Failure by any such service providers and contractors to carry out their obligations in accordance with their appointment terms could result in the refurbishment works being more expensive than anticipated and taking longer to complete. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property.

5. The Company may not be able to maintain or increase the rental rates for the Property

The value of the Property, and the Company's turnover, will be dependent on the rental rates that can be achieved from the Property. The ability of the Company to maintain or increase the rental rates for the Property may generally be adversely affected by general UK economic conditions and/or the demand for office space, particularly in Leeds. In addition, there may be other factors that depress rents or restrict the Company's ability to increase rental rates or recoup expenses from tenants through service charges, including local factors relating to the Property (such as increased competition). Any failure to maintain or increase the rental rates at the Property or fully collect service charges may have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property and the Company's ability to meet interest payments on any debt facilities.

6. The Company is subject to risks related to the management of and collection of rent

Any decrease in the financial performance of the Property's tenants may negatively impact their ability to pay the Company correctly and on time. Tenant leases generate all of the Company's revenue. The Company is therefore subject to the credit risk of its tenants and the risk that tenants will be unable to

make lease payments due to, for example, local and national economic conditions and factors affecting the industries in which the tenants operate.

Furthermore, a significant percentage of the Company's rental income is derived from a small number of tenants. At 30 August 2022, three tenants at the Property accounted for approximately 77 per cent. of the Property's total floor area (and a higher proportion of current contracted rent). If one of these tenants experiences a downturn in its business this may result in a failure by that tenant to pay rent on time or at all.

The default of tenants on leases and failure of tenants to make rental payments when due may lead to a significant decrease in revenues for the Company, which in turn may affect the Company's profitability and its ability to meet its financial obligations. The ability for the Company to generate revenue also affects its planned asset management strategy and in turn this will impact on its exit strategy and returns.

Any of the foregoing may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects or the valuation of the Property.

7. The Company may be unable to re-let a vacant space following the expiry of a tenancy, including as a result of competition in the market

There can be no assurance that existing tenants will renew their leases at the end of their current tenancies and, if they do not, that new tenants of equivalent standing (or any new tenants) will be found. This is particularly the case where a vacant space requires refurbishment or redevelopment following the expiry of a tenancy. The 9th floor of the Property is currently vacant and there are also two vacant retail units on the ground floor (one of which has become vacant post the valuation date). In addition, a number of office tenants have their leases expiring within the next three years which in aggregate account for 26.4 per cent. of total income (and four of which have leases expiring in 2023 which account for 3.5 per cent. of the Property's total floor area). Tenants with the benefit of contractual break rights may also exercise these to bring their lease to an end before the contractual termination date. During vacant periods, the Company will suffer a rental shortfall and incur additional under recovery of service charge expenses until the vacant space is re-let. Even if a tenant renews or replacements are found, there can be no assurance that such renewals or replacements will be on terms (including rental levels and rent review terms) that are as favourable to the Company as before or that new tenants will be as creditworthy as previous tenants.

In addition, there is approximately 1.2 million sq. ft. of proposed new office accommodation to be developed (in some cases, subject to planning approval) on the Leeds 'South Bank', including accommodation within the immediate vicinity of the Property. Any proposed new office accommodation to be developed in Leeds could provide the potential for significant new additional office space or residential accommodation, which may be better quality than that provided by the Property, being delivered in the short to medium term giving tenants and potential tenants more choice to relocate to buildings other than the Property.

The inability of the Company to re-let space to tenants on favourable terms at all or to realise any alternative use value for the property or any proposed new office accommodation, may have a material adverse effect on the Company's business, financial condition, results of operation, prospects and/or the valuation of the Property.

8. The longer-term impact of the Covid-19 pandemic could materially and adversely affect the Company's business, financial condition, results of operations, prospects or the valuation of the Property

The Covid-19 pandemic resulted in the UK Government, and other governments around the world, implementing numerous measures in an attempt to contain the virus, such as travel bans and restrictions, imposition of quarantines, prolonged closures of workplaces and curfews or other social distancing measures, and the mandatory closure of certain businesses.

Although the short-term impacts of Covid-19 have been largely overcome, the longer-term effect on office occupancy and hence demand for office space is not yet known. The Property has a vacant floor, two vacant retail units (one of which became vacant post the valuation date) and a number of office tenants have lease expiries within the next three years which account for 26.4 per cent. of total income

(and four of which have leases are expiring in 2023 which account for 3.5 per cent. of the Property's total floor area. Changes in the pattern of office demand could affect the ability to let vacant space (especially for large floorplans), the rentals achieved and hence the valuation of the Property thus disrupting the asset management plan and may have a material adverse effect on the Company's business, financial condition, results of operation, prospects and/or the valuation of the Property.

In addition, the emergence of a new variant of Covid-19 or any future outbreak of other highly infectious or contagious diseases could result in the implementation of similar restrictions to those brought in during the Covid-19 pandemic and therefore could also have a material adverse impact on office occupancy and demand for office space and accordingly may have a material adverse effect on the Company's business, financial condition, results of operation, prospects and/or the valuation of the Property.

9. The Company has no employees and is reliant on the performance of third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis, therefore, the Company is reliant upon the performance of third party service providers for certain executive functions. In particular, the AIFM, the Asset Manager, the Depositary, the Company Secretary and the Registrar will be performing services which are integral to the operation of the Company. For example, the Company will be reliant on the M7 Group and its systems and network to perform risk management and asset management functions. Where a service provider needs replacing, whether due to expiry of an existing contract, insolvency, poor performance or any other reason, the Company will be required to appoint a replacement service provider. There is no assurance that contracts can be negotiated on similar terms and less favourable terms could result in increased operational and maintenance costs. Any replacement service provider may be more expensive and there is a further risk that finding a suitable service provider may take a long time, which may lead to downtime for the relevant services. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment or any failure to replace any service provider in a timely manner, may have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property.

10. The Company is dependent on the expertise of members of the M7 Group, including the AIFM, the Asset Manager and their key personnel, to assist in the implementation of the Company's asset management strategy

The Company will be reliant upon, and its success will depend on, the members of the M7 Group, including the AIFM, the Asset Manager and their personnel, services and resources. Investor returns will be dependent upon the Company successfully executing its asset management strategy. There can be no assurance that the M7 Group will be able to do so or that the Company will be able to generate any investment returns for Shareholders or indeed avoid investment losses. The future ability of the Company to execute its asset management strategy successfully may, among other things, also depend on the ability of the M7 Group to retain its existing staff and/or to recruit individuals of similar experience and calibre. The retention of key members of the AIFM or the Asset Manager cannot be guaranteed. Furthermore, in the event of a departure of a key individual of the AIFM or the Asset Manager, there is no guarantee that the AIFM or the Asset Manager would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Company. The underperformance or the departure of key skilled professionals from the AIFM or the Asset Manager may therefore have a material adverse effect on the Company's business, financial position, results of operation, prospects and/or the valuation of the Property.

11. The Company is subject to risks associated with the misconduct of its service providers and their respective employees

Misconduct by employees of the AIFM, the Asset Manager or the Depositary or their respective affiliates, or by employees of any third-party service providers could cause significant losses to the Company. Employee misconduct may include binding the Company to transactions that exceed authorised limits or present unacceptable risks and unauthorised trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses may also result from actions by third-party service providers, including, without limitation, misappropriating assets. In addition, third-party service providers may improperly use or

disclose confidential information, which may result in litigation or serious financial harm, including limiting the Company's business prospects or future marketing activities. No assurances can be given that the due diligence performed by the Company, the AIFM, the Asset Manager or the Depositary will identify or prevent any such misconduct. Any misconduct by employees of the AIFM, the Asset Manager or the Depositary or their respective affiliates, or by employees of any third-party service providers may therefore have a material adverse effect on the Company's business, financial position, results of operation, prospects and/or the valuation of the Property.

12. The Company is subject to risks relating to conflicts of interest

The services of the Asset Manager and the AIFM are not exclusive to the Company. Although the Directors have satisfied themselves that the M7 Group has in place an appropriate conflicts of interest policy, members of the M7 Group (including, the Asset Manager and the AIFM), may encounter conflicts of interest arising from their relations with third parties to whom they also owe duties or in which they have an interest. Given the Company's sole investment is intended to be the Property, the Directors do not expect significant conflicts of interest to arise within the Group itself, but conflicting availability of space in another Oxford Properties owned or M7 Group managed property in Leeds or elsewhere could still give rise to conflicts as such other property may compete with the Property for tenants.

The M7 Group's conflicts of interest policy provides that all M7 Group staff members must highlight to the conflicts committee of the AIFM (the "**Conflict Committee**") when they believe that a conflict has arisen or may arise. The policy sets out a specific process to manage the potential conflict including notification, management and mitigation, monitoring via a conflicts register and disclosure (if appropriate). In addition, the relationship between the Directors and M7 is managed by certain matters being reserved for Board decision.

In addition, the M7 Group through wholly owned subsidiaries, has interests in approximately 13.76 per cent. of the share capital in IPSX and Richard Croft, Chairman of M7, and other member of the senior M7 management, have interests totalling approximately 2.08 per cent. of the share capital in IPSX. This may result in the appearance of conflicts of interest around the advancement of IPSX as a new trading platform. The apparent conflict may result in reputational damage to the Company and adversely impact the price and/or liquidity of the Ordinary Shares.

Any such conflict of interests (or perceived conflict) may therefore have a material adverse effect on the Company's business, financial position, results of operation, prospects and/or the valuation of the Property.

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

The Company's ability to pay dividends is at the discretion of the Directors and will be dependent upon, amongst other things, the availability of distributable retained earnings or distributable profits through its rental income generated from the Property, financing and investment requirements and the result of operations. In the case of the Company the payment of dividends is a secondary consideration to creating a first class, fully let asset and to maximise the value of the Property. Once all building improvement works have been completed, this will be reviewed by the Directors.

Under English law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. The Company may not have adequate proceeds or distributable profits to allow it to at any time pay dividends or to utilise any granted buy-back authority and thereby return capital to shareholders.

To the extent that the Company experiences an adverse effect on its results of operations, cash flows or financial condition, or such other relevant factors, the Directors may decide at their discretion to decrease the amount of dividends, change or revoke the dividend policy or discontinue paying dividends entirely. In addition, if the Company does not pay, or reduces, its dividend rate, the market price of Ordinary Shares may decline.

If the Company is unable to pay sufficient dividends to its shareholders, it may be unable to maintain REIT status, which may have an adverse impact on the Company's business, financial position, results of operation and/or prospects.

14. The past or current performance of the AIFM or the Asset Manager is not a guarantee of future performance

The Company does not have a trading history and the past or current performance of the AIFM or the Asset Manager is not indicative, or intended to be indicative, of future performance of the Company.

The previous experience of the Asset Manager and the AIFM and companies and ventures advised and/or operated by members of the M7 Group may not be directly comparable with the proposed Acquisition. Differences between the circumstances of the Company and the circumstances of other M7 advised assets or funds include investment objectives, fee arrangements, structure (including for tax purposes), terms, leverage, performance targets, market conditions and investment horizons. All of these factors can affect returns and impact the usefulness of performance comparisons.

15. Changes in accounting standards may have a material adverse effect on the Company's financial performance and consequently on the Company's ability to pay dividends

If there are changes to the accounting standards or to the interpretation of accounting standards (for example in relation to how the lease arrangements and rental income is accounted for) this may have a material adverse effect on the Company's financial results and, as a result, the Company's ability to pay dividends. The accounting standards and practices that are applicable to the Company may mean that it is deemed to be in receipt of higher rental income than it is currently contractually entitled to as a result of the fixed minimum uplifts or rental incentives under tenant leases. This accounting treatment of future rental income in current year accounts may result in the Company being required to distribute more income to Shareholders than it actually receives from tenants in order to satisfy the REIT conditions. This may therefore have a material adverse effect on the Company's business, financial position, results of operation, prospects and/or the valuation of the Property.

16. The Company is exposed to risks relating to cyber-security

The Company, and/or one or more of its respective service providers, including the AIFM, the Asset Manager and the Depositary may be prone to operational, information security and related risks resulting from failures of or breaches in cybersecurity.

A failure of or breach in cybersecurity ("**cyber incidents**") refers to both intentional and unintentional events that may cause the relevant party to lose proprietary information, suffer data corruption, or lose operational capacity. In general, cyber incidents can result from deliberate attacks ("**cyber-attacks**") or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). The counterparties and service providers engaged regarding the Property and the Company may also be prone to cyber incidents.

Cyber incidents may cause disruption and impact business operations, potentially resulting in financial losses, interference with the ability to calculate the Company's Net Asset Value, impediments to trading, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

There can be no assurance that any business continuity plans, risk management strategies, systems, policies and procedures will identify all risks. Furthermore, none of the Company, the AIFM, the Asset Manager or the Depositary and their respective affiliates can control the cybersecurity plans, strategies, systems, policies and procedures put in place by other service providers to the Company.

Any such failures or breaches of the Company's or its service providers cybersecurity could have a material adverse effect on the Company's business, financial position, results of operation, prospects and/or the valuation of the Property.

RISKS ASSOCIATED WITH PROPERTY INVESTMENT

17. The valuation of the Property is inherently subjective and uncertain and based on assumptions which may prove to be inaccurate

The valuation of a property is inherently subjective and uncertain due to the individual nature of each property, its location and the expected future rental revenues from that particular property, among other things. The valuation may fluctuate from time to time due to a variety of extraneous factors, such as macro-economic conditions or developments within the same market as the subject property. A valuation reflects a valuers opinion on such matters, as well as the valuers assessment of risk, as such it is a subjective exercise based on a range of assumptions and estimations that require professional judgment. There is no assurance that the valuation of the Property will reflect the actual sale price even where such sale occurs shortly after the relevant valuation date, and estimated yield and annual rental income that underlie valuations may not be attainable.

In determining the value of properties, valuers are required to make assumptions in respect of matters including, but not limited to, the existence of willing sellers (during what might be uncertain market conditions), title, condition of structure, services goodwill, environmental matters, statutory requirements and planning, expected future rental revenues from the property and other information. Such assumptions may prove to be entirely wrong or inaccurate. Incorrect assumptions or flawed assessments underlying the valuation reports may have a material adverse impact on the Company's financial condition and potentially inhibit the Company's ability to realise a transaction price that reflects the stated valuation or to raise finance using the Property as security. This is particularly so in periods of volatility or when there has been limited transactional evidence against which property valuations can be benchmarked.

The long-term valuation of a property can be adversely affected by a downturn in the property market which can result from a range of factors such as: capital values weakening, rental values falling, increases in voids and the general rise in property yields.

Any reduction in the valuation of the Property may have a material adverse effect on the Company's business, financial position and the expected return of its Exit Strategy.

18. Investment in property is subject to risk arising from general macro-economic conditions in the United Kingdom and globally

Global economic uncertainty and any weakening in economic conditions in the United Kingdom or elsewhere and, in particular, any restriction in the availability of credit, may reduce the value of property, and may reduce liquidity in the real estate market in general. Negative economic factors may impact on the financial performance of tenants which may also in turn impact upon their ability to pay for the rent and services to be provided by the Company. This may have an adverse impact on the returns of the Company. In particular, the recent invasion of Ukraine has resulted in a dislocation of trade in a range of basic commodities such as oil and gas and agricultural produce giving rise to inflation in the UK and abroad. This affects business confidence and the likely reaction of governments to control inflation by raising interest rates is likely to exacerbate this further affecting demand for new offices. Any of the foregoing could therefore have a material adverse effect on the Company's business, financial position, results of operation, prospects and/or the valuation of the Property.

19. The Property may suffer physical damage resulting in losses (including loss of rent) which may not be fully compensated by insurance or at all

The Property may suffer physical damage resulting in losses (including loss of rent) which may not be fully compensated by insurance or at all. In the event that any part of the Property suffers a loss that is not fully covered this is likely to impact on the valuation of the Property. The Company may also potentially have to procure funding to repair the damage. As such, any damage to the Property could therefore have a material adverse effect on the Company's business, financial position, results of operation and/or prospects.

ECONOMIC AND FINANCING RISKS

20. The current economic disruption, in part created by Covid-19 and the invasion of Ukraine, has led to a sharp rise in inflation and interest rates which may disrupt the long-term plans of the Company

The UK, along with other economies, is currently experiencing a period of high inflation, in part created by Covid-19 and the invasion of Ukraine, which according to the Bank of England is expected to continue in the short-term and may continue into the longer term with a resultant knock-on effect on general costs.

Some leases are subject to service charge caps, where the service charge repayments due by tenants do not necessarily match with the full service charge expense. Caps combined with rising inflation could lead to partial recovery of service charges and the Company bearing an increasing proportion of the underlying costs. Accordingly, continued high inflation could have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property.

21. The Company is subject to the risk that it will not be able to refinance the Facility on acceptable terms or at all within 24 months

The Facility is being extended to the Company through its subsidiary, Propco, for a period of 24 months from the date of Completion. The Company will seek to refinance this Facility during the course of the 24 month period from the date of Completion.

If the Company is unable to obtain the requisite amount of borrowings on the appropriate terms, it may seek to raise additional funds through the issue of debt securities or further equity securities to new and existing shareholders, which may have a dilutive effect on the interests of Shareholders immediately prior to such an issue. If the terms on which facilities are offered to the Company are more expensive than current rates, this may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects or ability to complete its planned capital expenditure.

Macroeconomic events may have a significant impact on the credit markets, the availability of debt and/or the terms upon which that debt is available. The Company may find it difficult, costly or not possible to refinance future indebtedness as it matures or the terms become more expensive. Further, if interest rates are higher when any relevant indebtedness is refinanced, the Company's finance costs could increase. Any of the foregoing events may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects or ability to complete its planned capital expenditure.

There is no guarantee that the Company will be able to refinance the Facility at all and in those circumstances, and in the absence of a further equity or quasi-equity issue, it is likely that the Company would default on the Facility repayment leading to a liquidation of the Company. Shareholders may, in certain circumstances, lose their entire investment.

Any of the foregoing events may reduce the Company's ability to complete its planned capital expenditure and therefore may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Nothing in this risk factor is intended to qualify the statement as to the sufficiency of the Group's working capital in paragraph 14 of Part XI (Additional Information).

22. A sustained downturn in economic or real estate market conditions, or in the commercial performance of the Property, may lead to covenant breaches and ultimate acceleration of the Facility by the lenders

Propco will provide representations on a range of legal, financial and commercial items when it enters into the Facility and will also undertake to abide by certain financial and other covenants during the life of the Facility. Among these is an undertaking to maintain certain loan to property value and rental income to finance cost ratios. Sustained economic or real estate market conditions or in the commercial performance of the Property in the longer term may therefore exert pressure on these ratios and consequent breaches may entitle the lenders under the Facility to renegotiate the terms or accelerate

the Facility. Any of the foregoing could therefore have a material adverse effect on the Company's business, financial position, results of operation, prospects and/or the valuation of the Property.

Nothing in this risk factor is intended to qualify the statement as to the sufficiency of the Group's working capital in paragraph 14 of Part XI (Additional Information).

23. The Company is subject to interest rate risk and risks relating to the availability of credit

The real estate investment industry is highly capital intensive. The Seller has agreed to novate to Propco the Facility and the Company intends to draw down in full on this Facility on Admission to enable Completion. Interest rates are highly sensitive to many factors, including international and domestic economic and political conditions, and other factors beyond the Company's control. As described in the Risk Factor headed "*The current economic disruption, in part created by Covid-19 and the invasion of Ukraine, has led to a sharp rise in inflation which may disrupt the long-term plans of the Company*", higher interest rates would have an adverse impact on borrowing costs and the cost of hedging, with a resultant knock-on effect on general costs. The level of interest rates can also fluctuate due to, among other things, disruption to financial markets and the availability of bank credit. As interest rates rise, the Company may be required to use a greater proportion of its revenues to pay interest expenses on any floating rate debt. Whilst interest rate hedges may be put in place, such measures are costly and may not be sufficient to protect the Company from risks associated with movements in prevailing interest rates. In addition, hedging arrangements expose the Company to credit risk in respect of the hedging counterparty. Increased exposure to adverse interest rate movements through floating rate debt and related hedging arrangements may have a material adverse effect on the Group's business, its ability to pursue its asset management strategy and this may affect its exit strategy and the returns to Shareholders.

Nothing in this risk factor is intended to qualify the statement made in this Document as to the sufficiency of the Group's working capital.

24. Redevelopment, expansion and/or the refurbishment of the Property may be necessary in the future to preserve rental income and could be adversely affected by a number of factors

Returns from investment in property depend largely upon the amount of rental income generated from the Property and the expenses incurred in asset management initiatives such as refurbishment works (including related capital expenditure), increasing the size of the Property, changing the configuration of the Property, maintenance and management of the Property (including the baffles installed as part of the wind alteration works), as well as changes in its market value. Development or redevelopment expenditure may be necessary in the future to preserve the rental income generated from and the value of the Property and to modernise and improve the marketability of the Property, which could negatively impact the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property.

RISKS RELATING TO REGULATION

25. Increasing stringent legislation in relation to the environmental impact of the Property and/or fire safety may require redevelopment or refurbishment or replacement of plant and equipment

Currently, the Property has an EPC rating of "C" and it is expected that the Property will need to have an EPC rating of "B" by 2030. It will also need to comply with the new performance-based ratings for commercial buildings of over 1,000 square metres when this legislation comes into force. The Company has set out in paragraph 9 of Part I (*Information on the Company and Property*) that it intends to improve the environmental performance of the Property which forms part of the asset management strategy for the Property. However, new legislation could be passed which could increase the compliance requirements in relation to environmental performance for commercial buildings in the UK which could negatively impact the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property.

In addition, following the Grenfell Tower fire in June 2017, new legislation in relation to the fire safety of buildings in the UK including the Fire Safety Act 2021 and the Building Safety Act 2022 has been brought in which must be complied with. Additional new legislation could be passed in the future which

could further increase compliance requirements in relation to fire safety which could negatively impact the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property.

26. The Company is dependent on the AIFM for risk management

The AIFM will seek to monitor and control the Company's risk exposure through, a risk and control framework encompassing a variety of separate but complimentary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms. Neither the Company nor the AIFM can anticipate every economic and financial outcome or the specifics and timing of the outcomes. Recent market conditions have involved unprecedented dislocations and highlight the limitations inherent in using historical data to manage risk. Where risk management by the AIFM is inadequate, there may be an increased likelihood that the Company incurs losses that are greater than they otherwise would be, which may have a material adverse impact on the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property.

27. Limitation of recourse and indemnification of the AIFM and the Asset Manager

The AIFM Agreement and the Asset Management Agreement limit the circumstances under which the AIFM, the Asset Manager or their affiliates may be held liable to the Company. As a result, the Company may have a more limited right of action in certain cases than it would have in the absence of this provision. In addition, the AIFM Agreement and the Asset Management Agreement provide that the Company will indemnify the AIFM, the Asset Manager, their directors, officers, partners, employees, affiliates, agents and assigns against liabilities, claims and related expenses including attorneys' fees, incurred by reason of any action performed or omitted in connection with the provision of their services to the Company under the AIFM Agreement and the Asset Management Agreement respectively, provided that such action or decision not to act does not constitute fraud, wilful default or gross negligence of the AIFM or the Asset Manager (as relevant), or any material breach of the AIFM Agreement by the AIFM or the Asset Management Agreement by the Asset Manager (as applicable), or a material breach of an FCA rule by the AIFM. Such indemnification obligations could materially affect the return of investors and may have a material adverse impact on the Company's business, financial condition, results of operations, prospects and/or the valuation of the Property.

28. The Company may be adversely affected by change of law, regulation and/or practice guidance in relation to the AIFM Rules and/or the legal and regulatory regime applicable to the Company, the AIFM, the Asset Manager or others

Changes to laws, regulations and practice guidance (including any ESMA guidance or recommendations) may adversely affect the Company, the AIFM, the Asset Manager, the Depositary and/or the Administrator. Regulation of, and practice guidance relating to, entities such as the aforementioned persons, is evolving and subject to change. In particular, as the AIFM of the Company, M7 Real Estate Financial Services Limited is required to comply with (amongst other things) ongoing capital, reporting and transparency obligations and a range of organisational requirements and conduct of business rules. The AIFM must also, as the AIFM of the Company, adopt a range of policies and procedures addressing areas such as risk management, liquidity management, conflicts of interest, valuations, compliance, internal audit and remuneration. If the AIFM fails to comply with the legal and other regulatory requirements applicable to an authorised AIFM or otherwise ceases to hold authorisation or the requisite permissions to allow it to act as the AIFM of the Company, the AIFM will not be permitted to continue to manage the Company and a successor AIFM (duly authorised as an AIFM) will need to be appointed to perform this function. The Company is reliant upon the investment expertise of the AIFM and there is no guarantee that a suitably qualified successor AIFM will be found or will be engaged on terms comparable to those applicable to the AIFM. Any transition to a successor AIFM or other changes to the applicable rules and guidance relating to the AIFM rules may result in significant costs being incurred by the Company and material disruptions to its investment activities and operations and to the marketing of interests in the Company.

Changes to the legal and regulatory regime applicable to the Asset Manager may adversely affect the Company because of the Company's reliance upon the continuing availability to it of the expertise of Asset Manager and the likelihood that such changes will increase the on-going costs borne, directly or indirectly, by the Company by virtue of the contractual arrangements agreed between the Company and

the Asset Manager. The effect of any future legal or regulatory change (including changes in practice guidance) on the Company or on the Asset Manager is not possible to predict but may be substantial and adverse.

Accordingly, any of the foregoing may have a material adverse impact on the Company's business, financial condition, results of operations and/or prospects.

29. The Company is subject to risk related to changes in laws or regulations

The Company, the AIFM and the Asset Manager are subject to the laws and regulations enacted by national and local governments. In addition, the Company is subject to the continuing obligations imposed by IPSX on companies traded on its markets. The laws and regulations affecting the Company, the AIFM and the Asset Manager are evolving and any changes in such laws and regulations may have an adverse effect on the ability of the Company to carry on its business.

Further, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies.

The effect of any future regulatory or legal change on the Company is impossible to predict. Any of the changes mentioned above may increase the Company's costs or otherwise have an adverse effect on the ability of the Company to pursue its asset management strategy which may have a material adverse effect on the Company's business, financial condition results of operations and/or prospects.

RISKS RELATING TO TAXATION

30. Tax charges may arise depending on the level of the Company's borrowings

As noted above and in Part I, the recent increase in interest rates together with the additional costs of hedging interest rates may increase costs to a point where the Company could breach the Interest Cover Ratio limit set by HMRC.

A tax charge will arise if, in respect of any accounting period, the ratio of the Company's income profits (before the offset of capital allowances, losses from previous accounting periods and certain other financing costs) in respect of its Property Rental Business to the financing costs incurred in respect of the Property Rental Business is less than 1.25. In addition, any disallowance under the UK's corporate interest restriction rules may result in the Company being required to allocate some of that disallowance to the taxable residual business of the REIT Group. Any such allocation may give rise to a tax charge to the extent it is not sheltered by tax losses which could therefore have a material adverse impact on the Company's business, financial condition results of operations and/or prospects.

Nothing in this risk factor is intended to qualify the statement made in this Document as to the sufficiency of the Group's working capital.

31. A change in the Company's tax status or in taxation legislation in the UK may adversely affect the Company's profits and/or Property value and/or dividends to Shareholders

The levels and bases of and reliefs from taxation may change. The tax reliefs referred to in this Document are those currently available and their value depends on the individual circumstances of the Company and of investors. Any change in the Company's tax status or in taxation legislation in the UK or any other tax jurisdiction affecting Shareholders or investors may affect the value of the investments held by the Company, affect the Company's ability to achieve its investment objective or alter the post-tax dividends to Shareholders. Changes to tax legislation may include the imposition of new taxes or increases in tax rates. In particular, an increase in the rates of stamp duty land tax may have a material impact on the price at which UK land can be sold, and therefore on asset values. Any changes may adversely affect the Company's business, financial condition results of operations and/or prospects and/or the dividends payable to Shareholders.

32. If the Company fails to qualify, or remain qualified, as a REIT, its net rental income and gains will be subject to UK corporation tax

It is the expectation of the Directors and the AIFM that the Company will fulfil the relevant qualifying conditions for UK REIT status following Admission and Completion such that the Company will be able to give HMRC notice to become a group UK REIT (the "**REIT Group**"). The Company cannot guarantee

that the REIT Group will qualify, or remain qualified, as a REIT. If the REIT Group fails to qualify or remain qualified as a REIT, it will be subject to UK corporation tax on some or all of its net property rental income and chargeable gains on the sale of the Property and may, in some circumstances, be subject to the claw back of the tax benefit of having been within the REIT regime, which would reduce the amounts available to distribute to Shareholders.

The requirements for maintaining REIT status are complex. Minor breaches of certain conditions within the REIT regime may result in additional tax being payable. A serious breach of the REIT regime may lead to the Company ceasing to be a REIT. If the Company or the REIT Group fails to qualify or remain qualified as a REIT, it may be subject to UK corporation tax on the profits of its Property Rental Business together with any chargeable gains on the sale or other disposal of the Property (or any part thereof). This could reduce the reserves available to make distributions to Shareholders and the yield on the Ordinary Shares. In addition, incurring a UK corporation tax liability may require the Group to borrow funds, liquidate part of its assets or take other steps that may negatively affect its operating results. Moreover, if the Company does not meet specific Company Conditions a breach occurs and in general, the REIT regime would cease to apply from the end of the accounting period preceding that in which the breach occurred. Where the company or REIT Group has been a UK-REIT for less than ten years, HMRC can direct a different date of cessation.

The Company or the REIT Group may lose its status as a REIT as a result of actions by third parties (for example, the acquisition by a third party of a significant stake in the Company).

Any failure of the Company to qualify, or remain qualified, as a REIT could have a material adverse impact on the Company's business, financial condition results of operations and/or prospects.

33. Distribution requirements may limit the Company's flexibility in executing its asset management strategy

To maintain REIT status and as a result obtain full exemption from UK corporation tax on the profits of its Property Rental Business, the Company is required to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distributions. The Company would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that the Company distributes as Property Income Distributions less than the amount required to meet the 90 per cent. distribution test for each accounting period.

In addition, there are circumstances in which the REIT Group may not have sufficient cash to satisfy the requirements of the 90 per cent. distribution test. This may require the Group to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings.

As a result of these factors, the constraints of maintaining REIT status may limit the Company's flexibility to pursue its asset management strategy and therefore could have a material adverse impact on the Company's business, financial condition results of operations, prospects and/or the valuation of the Property.

RISKS RELATING TO THE ORDINARY SHARES

34. IPSX is a new trading platform

On Admission, the Company will be the third company to be admitted to trading on IPSX Wholesale. Shareholders should be aware that the maintenance of the trading platform itself relies on the ability of IPSX to operate as a trading company in its own right. IPSX is a Regulated Investment Exchange regulated by the FCA which includes oversight of its capitalisation. If IPSX is no longer able to operate as a trading company, the ability to trade the Ordinary Shares may be materially adversely impacted and an alternative trading platform will have to be sought but there cannot be any guarantee that an alternative trading platform will be identified or that the Ordinary Shares will be successfully admitted to trading on another platform.

35. It may be difficult for Shareholders to realise their investment in the short term and there may not be a liquid market in the Ordinary Shares

The Company has been set up with a view that Shareholders will hold their Ordinary Shares for a period of three years, after which the Company expects to either list the Ordinary Shares on IPSX Prime market or sell the Property. Unless Shareholders vote to wind up the Company earlier, Shareholders will only be able to realise their investment through sales of Ordinary Shares on the market. Although the Ordinary Shares will be admitted to trading on IPSX Wholesale, it is possible that there may not be a liquid secondary market for the Ordinary Shares and Shareholders may have difficulty selling their Ordinary Shares.

Market liquidity in the shares of companies with relatively small market capitalisations are frequently inferior to the market liquidity of shares issued by larger companies, in part due to the smaller number of market participants. In addition, the Ordinary Shares are to be traded on IPSX Wholesale which is a new trading platform and may have a lower level of liquidity in the early stages. As a result, an investment of this type should be regarded as long-term in nature and may not be suitable as a short-term investment.

36. The market value of the Ordinary Shares may fluctuate

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested. The market price of the Ordinary Shares may fluctuate independently of the Net Asset Value per Ordinary Share and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. The market value of an Ordinary Share may therefore vary considerably from the Net Asset Value per Ordinary Share. Fluctuations could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including rental yields, variations in the Company's operating results and business developments of the Company and/or its competitors. Stock markets have experienced significant price and volume fluctuations in the past that have affected market prices for securities. The price of an Ordinary Share may also be affected by speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect its investments.

37. An investment in Ordinary Shares by an investor whose principal currency is not pounds sterling may be exposed to foreign exchange rate risk

The Ordinary Shares are denominated in pounds sterling and any dividends to be paid in respect of the Ordinary Shares will be denominated in pounds sterling. An investment in Ordinary Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of the pound in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in relation to such foreign currency.

38. Future sales of Ordinary Shares or new issues of Ordinary Shares could cause the market price of the Ordinary Shares to fall

Sales (or anticipated sales) of a substantial number of Ordinary Shares or interests in the Ordinary Shares, particularly by significant investors, could depress the market price of the Ordinary Shares. Similarly, an issue of new Ordinary Shares by the Company would dilute existing shareholdings and could also therefore depress the share price. These scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

PART III

INFORMATION ON THE AIFM AND THE ASSET MANAGER

1. OVERVIEW

The Company has appointed M7 Real Estate Financial Services Limited as the Company's AIFM (the "**AIFM**") and M7 Real Estate Limited ("**M7**" or the "**Asset Manager**") as the Company's asset manager. The AIFM is a wholly owned subsidiary of M7.

The M7 Group was established in 2009, is headquartered in London and has over 200 employees across 14 countries globally. In September 2021, Oxford Properties Group ("**Oxford Group**"), a real estate investor, asset manager and business builder, completed the acquisition of M7. Oxford Properties was established in 1960 and since 2003 has been wholly owned by the Ontario Municipal Employees Retirement System ("**OMERS**") which is headquartered in Toronto with assets of approximately CAN$ 70 billion.

M7 continues to operate as a standalone business under the day-to-day management of the current leadership team, led by Richard Croft and David Ebbrell. The senior management within M7, collectively, have an average of 20 years of experience each in the real estate sector (further details of the senior leadership team are set out below).

The AIFM will provide investment management services to the Company. The AIFM is, for the purposes of the AIFM Rules, a "full scope" UK alternative investment fund manager with a Part 4A permission for managing AIFs such as the Company. Its FRN is 618047.

The Asset Manager will provide asset management services and will be responsible for the day-to-day asset management of the Property.

The Asset Manager and the AIFM together have a team of staff whose primary role will be the management of the Property. This experienced team have a proven track record in delivering positive results for M7's clients.

2. COMPETITIVE STRENGTHS

The M7 Group believes that it has the following key competitive strengths:

- it is one of the leading investment and asset managers which specialises in the UK and pan-European multi-tenanted real estate market;
- it has a value-oriented investment philosophy combined with an active asset management platform;
- it has a strong historical performance track record and significant experience of working with some of the largest real estate investors globally;
- it has a market leading focus on technology to drive insight into end markets and assets; and
- it has extensive access to regional markets and the ability to source assets.

3. EXPERIENCE, STRONG PERFORMANCE AND TRACK RECORD

As of 30 June 2022, the M7 Group managed 580 assets across Europe comprising 47.3 million sq. ft. valued at approximately €5.8 billion on behalf of real estate investors such as Blackstone, M&G and HIG Capital.

Since its inception, the M7 Group has worked with Starwood, Oaktree Capital, Goldman Sachs, Blackstone, HIG Capital, Westbrook Partners, Europa Capital and M&G Real Estate among others.

The M7 Group currently operates a number of mandates in the form of joint ventures, managed funds and separate accounts. Joint venture mandates involve the M7 Group entering into joint ventures with partner investors and acting as the promoted asset manager for the joint venture. Fund mandates involve the M7 Group establishing and co-investing in funds alongside multiple investors and acting as

the investment and asset manager to the fund. Separate account asset management mandates involve the M7 Group acting as third party asset manager for institutional, family office and high net worth investors' portfolios.

M7 is currently the AIFM of Mailbox REIT plc and M7 Regional E-Warehouse REIT Plc, which are admitted to trading on IPSX Wholesale, and Alternative Income REIT plc, which is admitted to trading on AIM (a market of the London Stock Exchange).

M7 is the winner of numerous industry awards including the prestigious Property Awards "Fund Manager of the Year" and "Irvine Sellar Award". M7 is a consistent top quartile performer attracting repeat investors and new capital partners. Case studies of M7 delivering value to investors through the implementation of its active asset management programme include two Dutch assets, Brussellaan 2 and Lange Dreef 10, which over the course of three years M7 increased in value by over 150 per cent. and 50 per cent. respectively.

4. KEY MEMBERS

Richard Croft – *Executive Chairman*

Richard Croft is the Executive Chairman of M7. He is responsible for the strategic direction of the company, capital raising and leads the real estate fund management function. In this capacity he sits on the GP board and Investment Committees of all of M7's funds in addition to numerous other M7's JV boards.

Prior to co-founding M7 Real Estate in April 2009, Richard founded Halverton REIM LLP (subsequently GPT Halverton), a European real estate fund management business which was sold to The GPT Group (an Australian listed property trust) in July 2007. From 2007 to early 2009 Richard was CEO of GPT Halverton.

Before his time at Halverton, Richard was International Investment Director of Property Fund Management PLC (now Valad), and was responsible for setting up their international infrastructure, including offices in Amsterdam, Paris, Berlin, Warsaw, Copenhagen and Madrid.

Richard has been involved in over €15 billion of transactions across the UK and Europe during his 26 years of real estate experience. Richard is a Non-Executive Director of the International Property Securities Exchange (IPSX), The Red Cat Pub Company and The Pinnacle Group.

In addition, Richard is a member of the board of trustees of Chickenshed Theatre Trust and was awarded Property Personality of the Year at the 2022 Property Week awards.

David Ebbrell – *Chief Executive Officer*

David Ebbrell is the Chief Executive Officer of M7 Real Estate. He is responsible for sourcing new properties across Europe.

Prior to co-founding M7 in 2009, David was a Fund Director at GPT Halverton where he was responsible for funds with a combined value of €600m. These included BIP (which invested in German and Dutch multi-let industrial property) and DAF (which invested in Dutch multi-let industrial office properties). As fund director, David had responsibility for acquisitions, portfolio performance, client reporting and asset management strategy. He was also responsible for many of the acquisitions made by the Halverton Babcock Industrial fund; his primary responsibility being the German and French acquisitions. Whilst at GPT Halverton, David was involved with acquisitions with a combined purchase price of approximately €900 million.

Before that, David worked for Teesland iOG (now Valad) and undertook UK acquisitions for the Industrial Trust and the Industrial Investment Partnership.

David is a member of the Royal Institution of Chartered Surveyors. David trained as a surveyor at Healey & Baker and has a degree in Estate Surveying.

Tony Edgley – *Senior Non-Executive Director*

Tony Edgley is the Senior Independent Non-Executive Director at M7. He has 40 years of international and domestic real estate experience both as an advisor and a principal investor.

Tony is a former partner of Brockton Capital in 2018, where he was a member of a five-man Investment Committee with full delegated authority across three opportunistic funds (approximately £5.25 billion) for eight years, Tony was responsible for originating and leading approximately £2.25 billion of multisector transactions through the full life cycle of acquisition, asset management, design and redevelopment, leverage, joint venture management and sale.

Before Brockton Capital, he was Managing Director of Jones Lang LaSalle Corporate Finance Ltd where he advised the firm's global clients on joint venture establishment, M&A, corporate disposal, debt advisory and equity raising. Major clients included Blackstone, ADIA, GIC, HSBC, Lloyds Bank and J Sainsbury.

Tony lived and worked for eight years in New York and helped establish the first global real estate institutional investor club; The Prudential Global Programme.

Jack Thoms – *Director – Head of Investment Management*

Jack is responsible for overseeing the asset management teams in the UK and in the European offices, the performance of the portfolios under management, client reporting and liaison and oversight of the asset management strategies. Jack is also actively involved in the setup of new funds and initiatives alongside the New Business and Transactions teams.

Jack co-founded M7 in 2009, prior to which he was a partner at GPT Halverton where he was a Fund Director of the flagship fund, the Halverton Babcock Industrial Fund, which was an approximately €900 million multilet European industrial vehicle. He was also a Fund Director for a distribution warehouse fund, EB8. As Fund Director he was responsible for portfolio performance, client reporting and asset management strategy. He managed a team of approximately 30 people across six countries.

Before this, Jack worked at Teesland iOG (now Valad) where he was Divisional Director of UK Investment with responsibility for asset management and reporting for the UK portfolio. This included managed funds and third-party client mandates and involved overseeing the administration of more than £400 million of assets.

Ruth Miley – *Asset Manager*

Ruth is an Asset Manager at M7.

Prior to joining M7 in October 2019, Ruth spent three years running her own investment brokerage and asset management consultancy, acting for numerous clients across multiple sectors. Her role involved sourcing PRS and Build to Rent development opportunities, hotel site acquisitions, leasing and sales transactions and various commercial opportunities for an array of investors, funds and private equity clients.

Before this, Ruth worked as a leasing agent at GCW and JLL on a shopping centre portfolio.

Ruth also spent five years in Australia, working for the GPT Group as an asset manager on various retail and office assets including 530 Collins, Melbourne Central & Highpoint Shopping Centre.

Ruth has over thirteen years of real estate experience and is a member of the Royal Institution of Chartered Surveyors.

5. AIFM AGREEMENT

The Company, the AIFM and Propco, amongst others, have entered into the AIFM Agreement, under which the AIFM has been appointed to act as the AIFM of the Company for an initial period of 10 years, unless the AIFM Agreement is terminated earlier in accordance with its terms. The AIFM Agreement may be terminated if: (i) the Company gives written notice to that effect following certain events of default; (ii) the Company terminates such appointment by giving the AIFM not less than twelve months' written notice, provided that such notice may only be given after the second anniversary of the effective date of the AIFM Agreement; or (iii) the giving of written notice to that effect from the AIFM or the Company to the other following either: (a) the termination of the Asset Management Agreement; or (b) the disposal of all of the Property and the Permitted Temporary Investments (as defined in the AIFM Agreement).

Following the expiry of the initial period of 10 years from the effective date of the AIFM Agreement, the AIFM Agreement shall automatically renew for successive five year terms, unless the Company or the AIFM provides six months' written notice of nonrenewal prior to the end of the then-current term, or unless otherwise terminated in accordance with the AIFM Agreement. The AIFM will provide risk management, investment management and portfolio management services, in all cases subject to the overall supervision of the Board. Further details of the AIFM Agreement, including details of the fees and expenses payable to the AIFM, other termination rights and limitations on liability are set out in paragraph 11.3 of Part XI (*Additional Information*) of this Document.

6. ASSET MANAGEMENT AGREEMENT

The Company, Propco, the AIFM and the Asset Manager, amongst others, have entered into the Asset Management Agreement, under which the Asset Manager has been appointed to act as the asset manager of the Property for an initial period of 10 years, unless the Asset Management Agreement is terminated earlier in accordance with its terms. The Asset Management Agreement may also be terminated if (i) Propco gives notice to that effect following certain events of default; or (ii) notice is given to that effect following termination of the AIFM Agreement.

Following the expiry of the initial period of 10 years from the effective date of the Asset Management Agreement, the Asset Management Agreement shall automatically renew for successive five year terms, unless Propco or the Asset Manager provides six months' written notice of nonrenewal prior to the end of the then-current term, or unless otherwise terminated in accordance with the Asset Management Agreement. The Asset Manager will be responsible for the day-to-day management of the Property, providing to the AIFM such assistance as the AIFM may request in connection with the valuation of the Company and the Property and will provide certain administration services to Propco, in each case subject to the overall supervision of the Board. Further details of the Asset Management Agreement, including details of the fees and expenses payable to the Asset Manager, other termination rights and limitations on liability are set out in paragraph 11.4 of Part XI (*Additional Information*) of this Document.

7. FEES AND EXPENSES OF THE AIFM AND THE ASSET MANAGER

Pursuant to the AIFM Agreement, the AIFM is entitled to receive: (i) a one-off fee equal to £12,500 payable on or around the date of the AIFM Agreement (the "**Set-Up Fee**"); and (ii) an annual fee equal to £50,000 per annum payable quarterly in arrears on or around the relevant quarter day (the "**AIFM Fee**"). The AIFM Fee will be reviewed annually and increased in line with any increase in the CPI.

Pursuant to the Asset Management Agreement, the Asset Manager is entitled to receive a periodic fee at the rate of 0.5 per cent. per annum (on a quarterly basis) of the Company's then current Gross Asset Value (the "**Asset Management Fee**").

The Asset Management Fee shall be calculated quarterly in arrears, as a percentage of the Gross Asset Value on the relevant quarter day (in respect of the preceding quarter). The quarter days for the purposes of the AIFM Fee and the Asset Management Fee are: 31 March, 30 June, 30 September and 31 December in any year.

The AIFM Fee shall be payable by the Company and the Asset Management Fee shall be payable by the relevant party(ies) thereto being the beneficiaries of the relevant services provided (collectively, the "**Service Recipients**") (noting that the Service Recipients are jointly and severally liable for the Asset Management Fee).

The AIFM and the Asset Manager are each entitled to be reimbursed by the Company or Propco, as applicable, for all reasonable out-of-pocket expenses, disbursements, fees and costs incurred by the AIFM or the Asset Manager on behalf of the Company or BWP Companies, as applicable, or in relation to any of their business.

8. CONFLICT MANAGEMENT

The Oxford Group, its wholly owned subsidiary, M7 Group, (including, the Asset Manager and the AIFM) and any of its respective associates and each such person's respective members, directors, officers, consultants, agents and employees, agents and connected persons, and any person or company with whom they are affiliated or by whom any of them are employed ("**Interested Parties**") may be involved

in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company. Interested Parties may provide similar services to other persons and entities and will not be liable to account for any profit earned from any such services. In addition, an Interested Party may provide other professional services to members of the Group or hold Ordinary Shares and buy, hold and deal in any investments for their own accounts. In particular:

- the AIFM, which is under common control with the Asset Manager and other members of the M7 Group, may provide portfolio management, risk management, investment management, asset management investment or other advisory or other services to other clients in the real estate sector;
- the Asset Manager, which is under common control with the AIFM and other members of the M7 Group, may provide property or asset management services to other clients in the real estate sector;
- M7, through wholly owned subsidiaries, has interests in approximately 13.76 per cent. of the share capital in IPSX;
- Richard Croft, Chairman of M7, and other members of the senior M7 management, have interests totalling approximately 2.08 per cent. of the share capital in IPSX; and
- an affiliate of M7, M7 Real Estate Mouseco Limited, will hold 3,000,000 Ordinary Shares representing 8.56 per cent. of the share capital of the Company which is subject to lock-in arrangements for twelve months following Admission.

The AIFM will have regard to its obligations under the AIFM Agreement and the AIFM Rules to act in the best interests of the Company, so far as is practicable having regard to their obligations to other funds or clients, should potential conflicts of interest arise. The AIFM's services are governed by the AIFM Rules and the FCA Handbook and in the event of a conflict of interest arising, the AIFM will ensure that it is resolved in accordance with the AIFM Rules and the FCA Handbook. In addition, the Directors have satisfied themselves that the M7 Group has in place a conflicts of interest policy and where a conflict arises it will be resolved in accordance with M7 Group's conflict of interest policy. The policy sets out a specific process to manage the potential conflicts including notification, management and mitigation, monitoring via a conflicts register and disclosure (if appropriate).

As the Property is the Company's only intended investment, neither the AIFM nor the Asset Manager is obliged to allocate any future investment opportunities to the Group and may allocate such potential investment opportunities to any other client of the M7 Group without first consulting the Board.

Please also see Part II (*Risk Factors—Risks Associated with the Company and The Property—The Group is subject to risks relating to conflicts of interest*).

Pursuant to the Bookbuild Agreement, the AIFM has agreed to procure Subscribers for the new Ordinary Shares and purchasers for the Finco Loan Notes to be issued by Finco as part of the Loan Note arrangements, for which the Company has agreed to pay the AIFM a fee of up to £1.25 million, as well as any costs, charges and expenses incurred by the AIFM in connection therewith (in each case together with any VAT payable thereon). Utilising the entirety of such fee, the AIFM will pay a fee to certain Introducers of up to 3% of the amount subscribed for/purchased by each Subscriber introduce by such Introducers and will also be entitled to pay fees to any other person that provides assistance with the bookbuild. After payment of such fees, the total net fees received by the AIFM pursuant to the Bookbuild Agreement will be zero. For more detail on the Bookbuild Agreement, please see paragraph 11.2 of Part XI (*Additional Information*).

At the time of this Document, and save as disclosed in this Document there are no actual or potential conflicts of interest between any duties owed by the AIFM or the Asset Manager (as applicable) to the Company, the Directors or the Asset Manager or any of the Directors and their private interests or duties.

PART IV

INFORMATION ON LEEDS REAL ESTATE

1. OVERVIEW/INTRODUCTION

Leeds is the UK's third largest city in the UK and is a significant contributor to the city region's £64.6 billion economy. As of March 2022, there was £7.3 billion of development under construction and in the pipeline, according to leeds.gov.uk/leeds-economy, ensuring Leeds' sustained expansion and establishing it as an important commercial property centre. The city has seen much change including the £60 million First Direct Arena and Europe's first purpose-built "super-theatre".

Leeds is one of the UK's 'Big 6' office markets outside of the capital. Structural shifts, reduced supply and increased government exposure to the regions have created a shortfall in office supply and increased rental values. Good quality office space has become increasingly scarce in Leeds and this was reflected in the Grade A vacancy dipping to 2.9 per cent. in Q2 2022, its lowest level for two years and below the five year average (6.1 per cent.) (*Source: Jones Lang LaSalle, Big Six, August 2022*). Headline prime rents increased in Q2 2022 to £34.00 per sq. ft., largely as a result of the limited Grade A space within the market. This equated to 3.0 per cent. rental growth quarter on quarter, which was the strongest of the 'Big 6 cities' and just under 5.0 per cent. growth year on year (*source: Jones Lang LaSalle, Big Six, August 2022*). Overall, the Asset Manager believes that demand will increase at a faster rate than supply for Grade A office space, creating a further shortage of Grade A office space and a consequent upward pressure on rental rates.

However the recent economic disruption in the UK and globally may impact this assessment but it is too early to assess any impact on the Leeds property market.

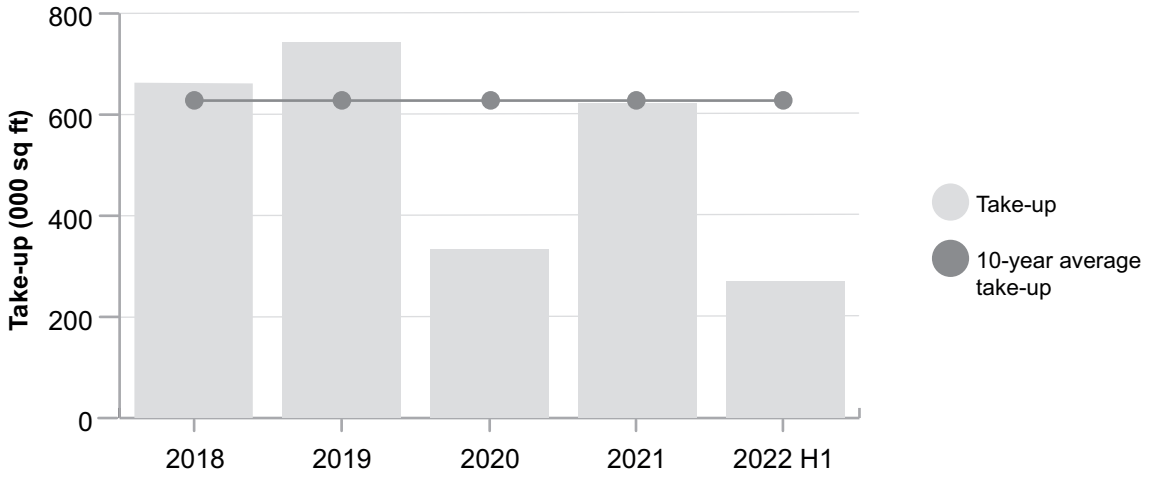
Looking more widely, Leeds is a key part of the 'Northern Powerhouse', a collaboration of 11 Northern Enterprise Partnerships as well as North Wales. The Northern Powerhouse strategy focuses on investing in transport infrastructure; increasing education and skills levels; nurturing business; and developing a worldwide reputation as an opportunity for trade and investment. Leeds is set to benefit from the completion of Northern Powerhouse Rail, which is expected to substantially increase rail capacity and reduce journey time to Manchester from one hour to 30 minutes and reduce the journey time to other large centres significantly.

2. LEEDS COMMERCIAL REAL ESTATE DYNAMICS

Leeds office take-up

The total office take up in Leeds over the last ten years to H1 2022 in Leeds has been an average of approximately 624,200 sq. ft. per annum and reached a five year low of 33,600 sq. ft. in 2020 during the Covid-19 pandemic. Following the easing of restrictions in 2021, office take-up recovered to 624,200 sq. ft. at the end of H2 2021, in line with the 10-year average take-up. Despite the recovery these levels remained down on the take-up reported in 2019 (774,800 sq. ft.) and 2018 (663.2 sq. ft.). A similar level of take up was reported in H1 2022 to that seen in H1 2021 with overall transactions amounting to 270,500 sq. ft. (9 per cent. below the five year H1 2022 average) (source: Jones Lang LaSalle, Big Six, August 2022).

Leeds take-up Q2 2022



(*Source: Jones Lang LaSalle, Big Six, August 2022*)

The Institute For Government and Knight Frank have reported a trend of decentralisation from London and in particular, the relocation of the public sector hubs to regional cities, as evidenced by the new Government Hub, which occupies approximately 378,000 sq. ft. at Wellington Place, in central Leeds.

Supply and vacancy rate

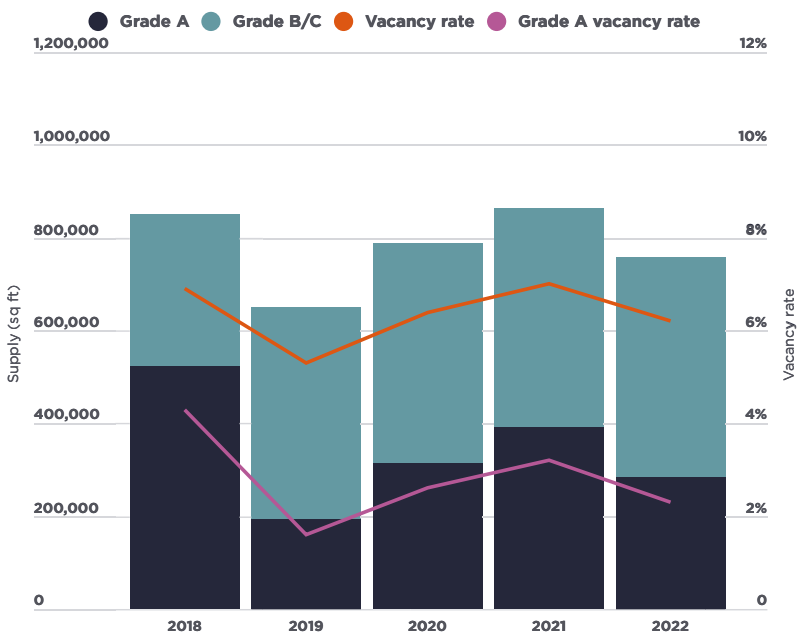
Total office supply in Leeds increased in 2020 (during the Covid-19-pandemic) and in 2021 (following the easing of restrictions) following the five and a half year low reported in 2019 (as illustrated in the graph below). However, in H1 2022 total office supply dropped to 782,000 sq. ft. and Grade A supply decreased to 284,000 sq. ft. at the end of H1 2022. This is indicative of the continued resilience of Grade A demand within the market. As a result, Grade A supply remains extremely limited, particularly for the prime space in Leeds city centre (*source: Savills Research, "Market in Minutes: Leeds Occupational Office Data H1 2022*").

In line with supply, total vacancy rates increased in 2020 (during the pandemic) and in 2021 (following the easing of restrictions) following the five and a half year low reported in 2019 (as illustrated in the graph below). However, in H1 2022 the total vacancy rate decreased to 6.2 per cent and Grade A vacancy rate also decreased to just 2.3 per cent. at the end of H1 2022.

However, there is approximately 1.2 million sq. ft. of proposed new office accommodation to be developed (in some cases subject to planning approvals) on the Leeds 'South Bank' including accommodation within the immediate vicinity of the Property. There is therefore the potential for significant new additional office space or residential accommodation, which may be better quality than that provided by the Property, being delivered in the short to medium term future as referenced in the Property Valuation Report of Part V.

The chart below sets out the decrease of City Centre Grade-A office space availability between 2018 and 2022:

Leeds office supply *(2018–2022)*



(*Source: Savills Research, "Market in Minutes: Leeds Occupational Office Data H1 2022*")

PART V

PROPERTY VALUATION REPORT

AVISON YOUNG

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CANADA'S BEST MANAGED COMPANIES Platinum member

Our Ref: RM20/JT

14 November 2022

BWP REIT PLC
c/o Alter Domus (UK) Limited
10th floor
30 St Mary Axe
London
EC3A 8BF

WH Ireland Limited
24 Martin Lane
London
EC4R 0DR

Dear Sirs

Property: Bridgewater Place, Water Lane, Leeds, LS11 5BZ

In accordance with your instructions, we now report formally our valuation of the above property (the "**Subject**"). We are instructed, as external valuers and IPSX approved valuers, to report to you our opinion of Market Value of the leasehold interest of the Property as at 30 August 2022.

This valuation report has been prepared for the purposes of the proposed admission to trading on IPSX (the "**Admission**") of a newly incorporated holding company, BWP REIT PLC (the "**Company**") which will become the ultimate holding company of M7 BWP Propco Limited (the "**Buyer**") which has agreed to purchase the leasehold interest in the property from the current owner of the property, CPPI Bridgewater Place General Partner Limited (the "**Seller**").

We draw your attention to the Terms of Appointment and Definitions and Reservations for Valuations to which our advice is subject and to the Letter of Engagement agreed between us.

The property has been valued subject to the occupational leases.

Valuation

We are of the opinion that the Market Value of the leasehold interest in the Subject, as at 30 August 2022, was:

£63,000,000

(Sixty Three Million Pounds)

Further, we are of the opinion that the Market Rent of the leasehold interest in the Subject as at 30 August 2022, was:

£7,678,000 per annum

(Seven Million Six Hundred and Seventy Eight Thousand Pounds per annum)

Please note that the Market Rent assumes the refurbishment works to the common areas and offices have completed.

All valuations are reported exclusive of VAT.

Attached at Appendix 1 is our Property & Valuation Summary which provides more detail on the Subject and the valuation.

Basis of Value

The valuations have been prepared in accordance with the RICS Valuation – Global Standards effective from 31 January 2022 – 'the Red Book'.

We further confirm that our valuations and report have been prepared in accordance with the relevant provisions of IPSX Rules v 1.4.

The property is held for investment purposes and has been valued on the basis of Market Value, defined as:

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

We have carried out the valuation on a traditional income capitalisation basis having regard to appropriate yields while reflecting the income profile, covenant strength, use, specification, and location of the property. We have applied different capitalisation rates to separate areas/demises of the property reflecting lease length, covenant strength, use etc.

We have provided our opinion of the Market Rent of the property. Market Rent is defined as:

> *'The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.*

No allowance has been made in our valuation for the expenses of realisation or for taxation that may arise in the event of disposal and our valuation is expressed exclusive of any VAT that may become chargeable. The reported valuation figure is net of the purchaser's standard acquisition costs including stamp duty.

The Property was internally and externally inspected on 24 February 2022. We were able to inspect sufficient parts of the building to enable us to prepare this valuation. We understand there have been no physical changes to the Property since our inspection.

Conflicts of Interest

In assessing any potential conflicts, we have adhered to the RICS Professional Statement – Conflicts of Interest, (1st Edition, March 2017) and the RICS Rules of Conduct.

As far as we are aware, we have no conflict of interest in relation to the provision of valuation advice in respect of the property. We have no ongoing or previous fee earning relationship with the property. We are providing our advice as External Valuers in accordance with the provisions of the Red Book. Avison Young (UK) Limited is a regulated firm.

Status of Valuer

We confirm that all the valuers involved in this valuation have sufficient current knowledge of the particular market and the skills and understanding required to undertake the valuation competently and are RICS Registered Valuers. Avison Young are IPSX approved valuers.

The Valuation has been prepared jointly by Jared Thompson MRICS, a Director within Valuation Advisory Services and Rebecca Millard MRICS, a Principal within the same department.

Nature and Source of Information to be Relied Upon

Information relating to tenancies, and all other on-going management issues has been supplied to us by M7 Real Estate Limited and their advisers, and we have relied upon the accuracy of this information when preparing our valuation.

We have had sight of a draft Certificate of Title which contains a sample lease and tenancy schedule prepared by Simmons and Simmons during August 2022, the contents of which we have taken into account in preparing our valuation.

We have been provided with a tenancy schedule and copies of the occupational leases by the managing agents, Jones Lang LaSalle, the contents of which we have relied upon and taken into account in preparing our valuation.

We have had sight of a Vendors Survey Report prepared by Paragon in December 2018 and updated in April 2022 and a Vendors Building Services Report dated March 2022. We have relied upon the findings of these reports as being accurate.

We have been provided with an Interim Tender Evaluation Report in respect of the façade remediation, undertaken by Ridge and dated August 2022. The document reviews a contract sum provided by Clearline in order to replace the defective external cladding of the building. We have relied upon this information as being accurate.

We have relied upon the floor areas of the property prepared by Plowman Craven as being accurate. The measurement survey was originally undertaken by Plowman Craven in May 2007. A verification survey was undertaken in February 2020. Our valuation assumes they were prepared in accordance with the RICS Professional Statement – RICS Property Measurement 2nd edition, January 2018 and in compliance with the RICS Code of Measuring Practice, 6th edition published by the RICS.

We have reviewed an Environmental Audit undertaken by Nova Ambiente dated 11 August 2020. The document provides a review of the Desktop Environmental Audit undertaken by Paragon in November 2018.

We have commissioned Creditsafe Reports for the tenants to support the statement of tenant covenant strength at the valuation date.

Special Assumptions

There are no Special Assumptions adopted within our valuation.

Tenure

The Property is currently held freehold under title numbers WYK717020, WYK755208 and WYK717029. However, the property interest being acquired and therefore valued is a new leasehold interest of the commercial areas for a 999 year term at nil rent. We have had sight of the draft lease and an Option Agreement to acquire the freehold titles (including the residential areas) for £1 upon completion of the cladding works and the issue of a defects liability certificate.

As would be expected from a property of this nature and location, the title is complex with various easements, obligations, and restrictions. To cover any defects in title an appropriate title indemnity policy will be secured.

Tenancies

The commercial leases contain standard institutional terms, including provisions for: upward only rent reviews; tenant internal repairing obligations with landlord's expenditure on the common parts and insurance recoverable through a service charge.

Tenant Covenant Strength

We have undertaken Creditsafe rating checks to ascertain the risk of business failure of all the occupational tenants. The table below summarises the risk profile of the current contracted rent.

Risk of Business Failure	% of Contracted Rent *
Very Low Risk	79.07%
Low Risk	19.59%
Moderate Risk	1.17%
High Risk	0.00%
Very High Risk	0.00%
Not Rated	0.17%

*Contracted rent is the overall annualised rent before rent free incentives or phased rents have been deducted.

We have detailed below the following Top 10 tenants, which represent the top tenants by contracted rent across the property.

Tenant	Company Number	Rating	Risk of Business Failure	International Score	Credit Limit
Eversheds Sutherland (International) LLP	OC304065	100	Very Low Risk	A	£29,500,000
DWF LLP	OC328794	70	Low Risk	B	£100,000
Ernst & Young LLP	OC300001	97	Very Low Risk	A	£92,550,000
Jemella Limited	04115691	97	Very Low Risk	A	£7,150,000
2 Plan Limited	06761381	72	Very Low Risk	A	£25,000
Tesco Stores Limited	00519500	100	Very Low Risk	A	£100,000,000
Gym Factory Leeds City Centre Limited	10624948	42	Moderate Risk	C	£500
Soul Coffee House Limited	09371819	76	Very Low Risk	A	£100,000
A. F. Blakemore and Son Limited	00391135	94	Very Low Risk	A	£9,850,000
Tabeyo Limited (t/a Juici Sushi)	10032599	44	Moderate Risk	C	£500
Car Parking / Service Charge	N/A	N/A	N/A	N/A	N/A

Creditsafe rate companies from 0 to 100, with 71 to 100 representing Very Low Risk and 51 to 70 representing Low Risk and 30 to 50 representing Moderate Risk. The International Score is rated from A to E, with A representing Very Low Risk. This score represents a common risk scoring platform which enables companies to be compared on an international basis.

Town Planning and Highways

Where considered appropriate we have made oral and web-based enquiries of the relevant Town Planning and Highways Authorities in respect of matters that may have a material effect on value. No responsibility will be taken for the accuracy of the information given.

We have provided below a summary of the planning history for the property which has been taken from the Leeds City Council Planning Portal.

Application Reference	Description	Decision
07/02330/FU	Proposed retail unit (A1) sales area of 412.8 sq m	Application Refused
07/05559/ADV	One non illuminated vinyl logo sign to take away sandwich shop	Application Approved
07/05613/FU	Proposed use of Unit 2A as a convenience food store (A1 use)	Application Approved
07/05871/ADV	2 internally illuminated individual letter signs and 2 internally illuminated signs to coffee shop	Application Approved
07/05872/FU	Replacement frontage to coffee shop	Application Approved
07/06441/FU	Change of use of public space to external seating area to proposed coffee shop	Application Approved
07/06514/FU	Alterations comprising new shopfront, new ATM machine, 2 air conditioning units and 2 condenser units to retail unit	Application Approved
07/07385/FU	4 air conditioner units to rear of retail unit	Application Approved
08/02517/FU	Change of use of unit from B1 class to a mixed-use office, training facility, exhibition facility, hairdressing academy and other associated uses	Application Approved
08/04121/COND	Consent, agreement or approval required by condition 4 of planning application 08/02517/FU	Application Approved
08/05215/COND	Consent, agreement or approval required by condition 2 and 3 of planning application 08/02517/FU	Application Approved
08/06189/ADV	2 internally illuminated single sided bus shelter signs	Split decision
0-20/4/05/MOD	Part 30 part 9 storey office flats restaurant & bars with basement parking (amendment to approval including siting)	Application Approved
20/339/04/FU	Part 9 and 30 storey office, flats restaurant/bars with basement car parking (amendment 20/313/03 for 32 additional flats)	Application Approved
0-20/34/04/MOD	New offices/flats/bars & restaurant	Non-Material Amendment Refused
0-20/26/04/MOD	Part 30 and part 9 storey office flats restaurant & bars with basement parking (amendment to approval including siting)	Non-Material Amendment Refused
20/313/03/FU	Part 30 and part 9 storey office flats restaurant & bars with basement parking (amendment to approval including siting)	Application Approved
20/337/00/FU	Part 30 and part 8 storey 190 bed hotel and flats and office block with restaurant bars and basement car parking	Application Approved

We have assumed that the property has been constructed and occupied or used within all the relevant permissions and that there are no outstanding statutory notices.

Building Condition

We have been provided with a Vendor's Survey Report undertaken by Paragon dated 1 April 2022 and a Vendor's Building Services Report undertaken by Paragon dated 20 March 2022.

The Vendor's Survey Report provides the following conclusions: –

'Our building inspection did not reveal any evidence of significant defects to the structure of the property. Provided the purchaser takes into consideration the issues raised within this report along with the cost of repairs and satisfactorily address any legal issues raised, then from a technical perspective, there is nothing to prevent them from proceeding with their acquisition.

Furthermore, we can advise that there is a low/ medium risk with regard to environmental liability.'

The vendors survey report identifies a number of budget repair costs for wants of repair. The budget repair costs have been split into Short (1-2 years), Medium (3-5 years) and Long Term 6–10 years) items as well as being classified as recoverable costs (via Service Charge) and non-recoverable costs (Landlord Expenditure).

The total cost of repair works identified in the Schedule of Repairs in the Vendors Survey Report and Vendors Building Services Report is £5,108,500 exclusive of professional fees and VAT. All costs are anticipated to be service charge recoverable. The costs are split into £1,453,000 for short term items, £1,067,000 for medium term items and £2,588,500 for long term items. The majority of the costs (£4,913,000) relate to upgrading the M&E, including but not limited to the following items: –

– Replacing the four chillers on the roof
– Overhaul the fan coil units in the offices
– Overhaul sprinkler pumps
– Update CCTV components
– Minor superficial works to the M&E services
– Remedial works to the lifts in the medium term, modernisation in the long term

Given that the Vendors Survey Report identifies the costs as being recoverable through Service Charge, we have not included any non-recoverable costs within our valuation relating to those cost items outlined above.

We have separately allowed within our valuation refurbishment costs in relation to updating and improving the atrium and common parts, as well as upgrading the M&E with the aims of targeting a net zero carbon building.

Cladding Report

We have been provided with an Interim Tender Evaluation Report in respect of the façade remediation, undertaken by Ridge and dated August 2022. The document reviews a contract sum provided by Clearline in order to replace the defective external cladding of the building. We have relied upon this information as being accurate.

Clearline have provided several tender prices which have been revised over time (Rev07, Rev08 and Rev11). The current cost of the works (Rev11) is £11,778,838, although this cost excludes any future price inflation which is to be absorbed by the "Buyer". As part of Rev08 tender price, a cost of £3,101,330 was included for the provision of inflation for the period June 2022 to March 2024.

The report concludes: –

'Following the analysis of the various tender submissions, we would consider that Rev 11 of the Clearline tender is the optimum tender sum that can be obtained during the negotiations taking into account the level of risk that Clearline anticipate in a very volatile market'

Overall, we are of the opinion that any potential purchaser for the property is likely to incorporate any future risk of inflation within the overall cost for the cladding works (i.e. let the contractor bear the risk

of inflation). Therefore, the total cladding costs (including future inflation costs) totals £14,880,168. (The Asset Manager believes it can offset part of the inflationary costs by buying materials upfront and has budgeted £14.5 million in total).

Consequently, we have deducted this figure (£14,880,168) from the valuation as a day one capital cost.

Fire Safety Works

We understand that the residential tower requires the instillation of a fire sprinkler system throughout to bring the safety of the residential tower in line with current fire regulations. The cost of these works is understood to total £750,000. We have therefore deducted £750,000 as a capital cost as at the valuation date.

Wind Mitigation Measures

We understand that all wind mitigation measures have been completed.

We further understand that there is a maintenance contract in place in relation to the wind baffles. We have not had sight of the contract; however, we understand that it requires the property owner to maintain the condition of the baffles, the cost of which is not recoverable through the service charge. We have been provided with a NPV of £120,000 by the "Buyer" in relation to the maintenance contract. We have therefore deducted £120,000 as a capital cost as at the valuation date.

Environmental Matters

The main points / conclusions from the Environmental Report are as follows: –

- *The site carries an industrial legacy which may have resulted in some degree of ground contamination. The development process of the current building, including basement car parking and foundations would have required the excavation and removal off site of significant quantities of underlying soils. This would have effectively removed potentially impacted shallow soils from beneath the site and reducing the likelihood that significant contamination remains.*
- *The coverage of hardstanding across the entire site also acts as a barrier between underlying soils and site users in areas where excavation works may not have occurred. Whilst the potential for some degree of contamination to remain cannot be discounted this is unlikely to result in a significant risk of liability for the site owner whilst the property is in its current use.*
- *We can advise that based on the continued commercial use of the site there is a low risk with regard to environmental liability.*
- *No further work is required for a continuation of the current site use.*

We have liaised with the asset managers of the Subject to ascertain the ESG policy for the Property. Their aim is to minimise the property's impact on the environment and BWP REIT PLC will be working with its ESG partner in the development of the pathway to Net Zero Strategy. Measures that are to be adopted to reduce greenhouse gas emissions and energy use include procuring renewable energy, reducing consumption, adopting efficient technology, improving building efficiencies and engaging with the occupiers and stakeholders to better understand their needs and priorities.

We understand that BWP REIT PLC has allocated funds within their refurbishment proposals to improve the ESG policy for the Property. We understand that these sums total £5,000,000 which will be used to target a Net Zero Building rating. This cost has been provided by the "Buyer". We have relied upon this cost and have deducted this as a capital deduction as at the valuation date.

Limitation of Liability and Professional Indemnity Insurance

Avison Young (UK) Limited has given and has not withdrawn its written consent to the inclusion of this valuation report in the Admission Document.

This report has been produced for inclusion in the Admission Document and may not be reproduced or used in connection with any other purposes without our prior consent.

Save for any responsibility arising under the IPSX Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Report or our statement, required by and given solely for the purposes of complying with the IPSX Rules.

Our prior consent in writing will be required if the Client intends to reproduce the Report or make any public reference to the valuation or the Report for any purpose other than as described above.

Avison Young's liability to the Company, and WH Ireland Limited under or in connection with our report shall be limited to £20,000,000 in total for all claims arising. Please see clause 7 of our Terms of Appointment, for more information about our limitations of liability.

Disclosures

Subject to the terms and conditions of our engagement and our approval of the form and context thereof, we hereby confirm that we will authorise and consent to the inclusion of:

a) the Report or extracts thereof in (i) the final Admission Document, (ii) drafts of the Admission Document that are to be used for marketing purposes, (iii) and any announcements substantially in the form of the launch announcement, which are released by the Company and which directly relate to Admission and (iv) investor presentations, (each of (i) to (iv) being the "**Investor Documents**"); and

b) references to the Report and to our name in the Investor Documents.

We can confirm that the fees generated from the Client is less than 5% of the total fee income for Avison Young (UK) Limited.

Yours faithfully

Jared Thompson MRICS
RICS Registered Valuer
Director, Valuation Consultancy
jared.a.thompson@avisonyoung.com
0113 280 8048
For and on behalf of Avison Young (UK) Limited

Rebecca Millard MRICS
RICS Registered Valuer
Principal, Valuation Consultancy
rebecca.millard@avisonyoung.com
0121 609 8044
For and on behalf of Avison Young (UK) Limited

Appendix 1

Property and Valuation Summary

Location	The property is situated on the southern fringe of Leeds city centre and occupies a prominent position at the junction of Victoria Road / Neville Street and Water Lane. Victoria Road / Neville Street (A653) is a main arterial route into Leeds city centre from the south and the M621 Motorway. Leeds railway station lies approximately 350 metres to the north of the property. Leeds is the regional commercial and administrative centre of West Yorkshire and is the largest city in the north-east of England and the third largest in the UK. The city benefits from good road, rail, and air communications. Regular rail services connect Leeds to London (2 hrs 15 minutes), Edinburgh (3 hrs) and Manchester (1 hr). The nearest airports are Leeds Bradford Airport (8.5 miles to the north-west) and Manchester (55 miles to the south-west). The M621 motorway connects the city centre with the M62 and M1 motorways. The property is within the Leeds South Bank Regeneration area which is an established mixed-use area comprising commercial, residential and leisure uses together with a pipeline of further development and expansion planned. Proposals include the redevelopment of Leeds Railway Station, Aire Park (a redevelopment of the former Tetley brewery (owned by Vastint) to provide hotel, retail offices and c. 850 units together with large park areas) and Temple (CEG has planning permission for 1.1m sq ft of offices, 750 homes, retail, leisure and green spaces. The scheme incorporates Temple Works, a Grade I listed former flax mill, which is to be converted and occupied by the British Library). Larger office occupiers in the surrounding area include Asda (whose headquarters are located immediately to the east of the subject property), BT, Jet2Holidays, KPMG, Addleshaw Goddard, Leeds Building Society and Direct Insurance.
Description	The subject property comprises a substantial mixed-use building providing a combination of retail, leisure, office and residential accommodation together with basement car parking areas and a service yard. The building was constructed in 2006/2007 and is a mixture of concrete and steel frame construction with a combination of composite clad and glazed elevations beneath various flat roofs. The scale of the building and its residential tower (extending to 30 storeys and being one of the tallest buildings in the city) make the building a landmark within the city. The commercial and office elements are formed by two multi-storey blocks connected by a central atrium. Each floor provides two wings with some floors occupied as a whole and some split to provide smaller areas of occupation. The central atrium has pedestrian access from Water Lane (to the north) and Victoria Road (to the south), which provides access to retail and leisure units and the service cores within each wing (each providing staircases, lifts and male, female, and accessible toilet accommodation). Above the office accommodation (floors 10-30) is residential accommodation providing 198 apartments with associated car parking at basement level. The long leasehold interest of the internal parts of the residential accommodation has been sold to a third party for a term of 250 years from 25 January 2007 at a nominal rent.

	The property provides secure car parking at basement level providing a total of 268 spaces which are dedicated for the commercial elements of the building. The spaces for the residential units are in addition. Externally, there is a small service yard area located off Back Row which has a concrete surface. Vehicular access to the residential car park entrance and office car park entrance is provided from Water Lane. Three large steel frame baffles with perforated metal mesh panels were installed along Water Lane to the north in 2018 to reduce the wind speeds surrounding the perimeter of the building.
Refurbishment Works	We understand that cladding repair and replacement works are required to the building. The current tender price provided by Clearline (Rev11) is £11,778,838. We have also included the cost for future inflation which totals £3,101,330 and was included in tender Rev08 for the provision of inflation for the period June 2022 to March 2024. We have deducted £14,880,168 as a capital cost as at the valuation date. We understand that the residential tower requires the instillation of a fire sprinkler system throughout to bring the safety of the residential tower in line with current fire regulations. The cost of these works is understood to total £750,000. We have therefore deducted £750,000 as a capital cost as at the valuation date. We understand that a comprehensive refurbishment of the property is proposed. The proposed works include a refurbishment and modernisation of the lobby / atrium and common parts (communal lift lobbies, toilets, etc.) and all branding and signage. The budget cost for these works is £6,000,000. We have allowed this figure as a capital cost as at the valuation date. Further works are proposed to the M&E systems at the property with the aim of achieving a net zero carbon building. It is not yet clear what the upgrades will comprise however budget cost for these works is £5,000,000. We have allowed this figure as a capital cost as at the valuation date. Refurbishment works are also proposed to the vacant office accommodation and any office accommodation which becomes vacant. The cost for completing refurbishment / modernisation works to the office accommodation is £40.00 per sq ft. These costs have been provided by the “Buyer” and are based on previous refurbishments on similar schemes. The costs have also been checked with Hollis (the “Buyer’s” Building Surveyors). We have incorporated this figure on the currently vacant office accommodation and those assumed to becoming vacant in the short to medium term future.
Floor Area and Tenant	

Floor	Unit (Tenant)	Areas	
		sq m	sq ft
Ground	Retail West – Unit A (Panini Shack (Leeds) Limited)	84.4	908
Ground	Retail West – Unit B (Gym Factory (Leeds) Limited)	82.0	883
Ground	Retail West – Unit C (Gym Factory (Leeds) Limited) GYM ENTRANCE	84.2	906
Ground Floor Total		**250.6**	**2,697**

Floor	Unit (Tenant)	Areas	
		sq m	sq ft
First	Retail East – Unit A (AF Blakemore & Sons)	166.6	1,793
First	Retail East – Unit B (Vacant)	31.0	334
First	Retail West – Unit A (Tesco Stores Limited)	407.5	4,386
First	Retail West – Unit B (Soul Coffee House (East) Ltd (t/a Starbucks)	202.6	2,181
First	Retail West – Unit C (New Sushi UK Limited)	81.3	875
First	Retail West – Unit D (Gym Factory (Leeds) Limited)	308.5	3,321
First	Office East (Jemella Limited (t/a GHD))	594.8	6,402
First	B.M.A (Management Offices)	142.7	1,536
First Floor Total		**1,935.0**	**20,828**
Second	Office West (DWF LLP)	1,629.0	17,534
Second	Office East (Jemella Limited (t/a GHD))	858.6	9,242
Second Floor Total		**2,487.6**	**26,776**
Third	Office West (DWF LLP)	1,754.9	18,890
Third	Office East 1 (DWF LLP)	375.8	4,045
Third	Office East 2 (2 Plan Limited)	617.6	6,648
Third Floor Total		**2,748.3**	**29,583**
Fourth	Office (Ernst & Young LLP)	2,970.5	31,974
Fourth Floor Total		**2,970.5**	**31,974**
Fifth	Office West (Eversheds Sutherland LLP)	1,767.0	19,020
Fifth	Office East (Eversheds Sutherland LLP)	1,000.6	10,774
Fifth	Reception (Eversheds Sutherland LLP)	225.6	2,428
Fifth Floor Total		**2,993.5**	**32,222**
Sixth	Office West (Eversheds Sutherland LLP)	1,792.1	19,290
Sixth	Office East (Eversheds Sutherland LLP)	1,024.9	11,032
Sixth Floor Total		**2,817.0**	**30,322**

Floor	Unit (Tenant)	Areas	
		sq m	sq ft
Seventh	Office West (Eversheds Sutherland LLP)	1,791.0	19,278
Seventh	Office East (Eversheds Sutherland LLP)	1,024.4	11,027
Seventh Floor Total		**2,815.4**	**30,305**
Eighth	Office West (Eversheds Sutherland LLP)	1,788.6	19,252
Eighth	Office East (Eversheds Sutherland LLP)	908.3	9,777
Eighth Floor Total		**2,696.9**	**29,029**
Ninth	Office (Vacant)	1,681.4	18,098
Ninth Floor Total		**1,681.4**	**18,098**
Total		**23,395.9**	**251,834**

Tenant/Floor Area Analysis

Tenant	% of Total Floor Area
Eversheds Sutherland (International) LLP	48.40%
DWF LLP	16.07%
Ernst & Young LLP	12.70%
Jemella Limited	6.21%
2 Plan Limited	2.64%
Tesco Stores Limited	1.74%
Gym Factory Leeds City Centre Limited	2.03%
Soul Coffee House Limited	0.87%
A. F. Blakemore and Son Limited	0.71%
Tabeyo Limited (t/a Juici Sushi)	0.35%
Panini Shack (Leeds) Limited	0.36%
Vacant offices	7.80%
Vacant retail	0.13%
	100.00%

Tenant Use by Rent

Sector	% of Total Contracted Rent	Contracted Rent
Offices & associated car spaces	95.68%	£5,701,427
F&B, leisure	2.96%	£186,690
Retail	1.36%	£80,973
	100.00%	**£5,969,090**

Tenant Profile

Number of tenants	11
Number of commercial leases	14
Number of ground leases	0
Contracted Rent	£5,969,090
Total Current Gross Income per annum	£5,774,513
Total Net Income per annum	£5,494,001
Weighted Average Unexpired Lease Term	3.93 years
Weighted Average Unexpired Term to Break	3.74 years

Valuation

We have carried out the valuation on a traditional income capitalisation basis. We have considered the value of the property using a combination of methods including traditional yield profile (net initial, triple net initial, equivalent and reversionary) and a capital value per sq ft approach.

We have incorporated current voids on the vacant accommodation and assumed a number of future voids on a reasonable proportion of the accommodation.

We have deducted the capital expenditure outlined within this report, in relation to the cladding works (£14,880,168), the sprinkler system installation in the residential tower (£750,000), the upgrading of the M&E systems (£5,000,000), the refurbishment of the atrium and common parts (£6,000,000), the NPV for the wind baffles (£120,000) and the refurbishment to the vacant office accommodation (both currently vacant and assumed to be vacant during future vacancies) at £40.00 per sq ft.

Market Value as at 30/08/2022	£63,000,000
Market Rent as at 30/08/2022 per annum*	£7,678,000
Standard Purchaser's costs adopted	6.78%

* The Market Rent is the 'headline' Market Rent and is on the assumption that the refurbishment works proposed have been completed.

Yield Profile

Initial Yield	8.58%
Triple Net Initial Yield	8.16%
Equivalent Yield	6.52%
Reversionary Yield	11.41%

SWOT Analysis

Strengths

- Prominent 'landmark' mixed use building on the southern fringe of Leeds city centre within proximity to Leeds Railway Station
- Improving South Bank location with several proposed redevelopments in the vicinity
- Effective freehold interest, being a 999 year internal lease of the commercial elements at nil rent with an option to purchase the freehold interest for £1 after completion of the cladding works
- Large basement car park providing good car parking ratio (1:940 sq ft)
- The four tenants paying the highest rents at the property are all classified as low risk tenants and account for 92.26% of the current income
- The Energy Performance Ratings for the office and all retail units is C, with the exception of retail unit 2a (Tesco) which is B
- The anchor tenant is Eversheds Sutherland (International) LLP who occupy 48% of the building

Opportunities

- Let the vacant ninth floor accommodation
- Asset management opportunities including lease re-gears and removal of break options to increase the income profile of the property
- Refurbish the common parts / lobby and vacant and future vacant office accommodation to improve how the building presents to potential occupiers and is positioned within the Leeds office market
- Undertake ESG (Environmental, Social and Governance) works to the building, to achieve Net Zero Carbon status
- Lack of supply of current Grade A office accommodation within the Leeds market
- Flexibility of the office floor plates – the floors can be subdivided to provide 4 smaller suites with minimal sub-division costs

Weaknesses

- A number of the office tenants have lease expiries within the next 3 years (26.4% of current income)
- Large floor plates, which generally exceeds occupier requirements in Leeds
- Large lot size, which is relatively rare in a regional location
- Management intensive
- WAULT of 3.93 years to expiry and 3.74 years to breaks
- Significant cladding works are to be undertaken at an estimated cost of circa £14,900,000 (including inflationary contingency)
- Sprinkler works are required to the residential block at an estimated cost of circa £750,000
- Significant capital expenditure is required to modernise the building, including the common parts / atrium, the currently vacant office suites and those which are to become vacant in the short term. Additional capital expenditure will also be required to improve energy efficiency and comply with evolving MEES requirements and to meet future occupiers ESG requirements
- Severe disruption to the current tenants during the refurbishment, cladding and fire safety works, with current estimated timescales of up to 18 months
- The cladding works and refurbishment works and associated disruption will deter potential occupiers in the short term / during the period of the works
- Vacant accommodation currently providing landlord shortfalls.

Threats

- Tenant failure
- Tenants with upcoming expiries do not renew or take less accommodation / smaller suites
- The Ernst & Young LLP lease renewal does not complete
- Changes in technology / working practices impacting on office occupiers demand for accommodation (type and quantum). Likely to be accelerated by COVID-19
- Likely to be additional 'grey space' coming back to the market over the short to medium term future as occupiers re assess their requirements / working practices following the Pandemic
- There is circa 1,200,000 sq ft of proposed new office accommodation to be developed (albeit some subject to planning) on the 'South Bank' including accommodation within the immediate vicinity of the subject property. There is therefore the potential for significant new additional (better quality stock) being delivered in the short to medium term future
- Increased refurbishment costs
- Deterioration in Tenant demand during refurbishment / cladding works.

PART VI

THE ACQUISITION

1. THE ACQUISITION – COMMERCIAL LONG LEASE AND OPTION AGREEMENT

1.1 Propco is to acquire the Property from the Seller by way of the grant of the Commercial Long Lease for the purchase price of approximately £63 million subject to the satisfaction of various conditions, which are summarised in the summary of the sale and purchase agreement in paragraph 2 of this Part VI. The Acquisition will be funded by the net proceeds of the issue and the Facility. The Acquisition will initially be by way of the grant of a 999 year lease of the internal commercial areas of the Property (including the commercial common parts and the internal structural parts). Propco will also be granted a call option to acquire the Freehold Titles in the future for £1. This will give Propco the right to the income stream created by the commercial areas.

1.2 Upon issue of the defects liability certificate in relation to the Fire Safety Works, it is intended that Propco will exercise its option to acquire the Freehold Titles of the Property (including the residential areas) from the Seller. It is anticipated this transfer will take place in approximately three years' time. When the freehold transfers, the Commercial Long Lease will be collapsed.

2. THE SALE AND PURCHASE AGREEMENT

2.1 Propco, as purchaser and the Seller entered into a conditional sale and purchase agreement dated 22 April 2022 (the "**SPA**") and which will be varied immediately prior to Completion via the General Undertaking pursuant to which Propco, is to acquire the Property from the Seller for the purchase price of approximately £63 million, subject to the satisfaction of various conditions governed by the General Undertaking including novation of the Facility. Some additional contingent consideration may be due to the Seller should the application to the Building Safety Fund be successful. In addition, a 20 per cent. share of the VAT saving made as a result of the Seller's application to zero rate the Cladding Works will be due to the Seller. Initially, the Acquisition will be by way of the grant of a long lease with an option agreement being entered into on Completion which will govern the terms of the transfer of the freehold to Propco in due course.

2.2 A deposit of £6.3 million was paid on exchange which is to be returned to Propco in the event that the conditions are not satisfied (including Admission) and the SPA terminated. Part of the net proceeds of the Issue will be used to discharge the stamp duty land tax payable to HMRC in relation to the Acquisition of the Property.

2.3 The Property is currently charged to Barclays, with mezzanine financing provided by funds managed by LaSalle Investment Management ("**LIM**"). The intention is that on Completion, the loan facility comprising the mezzanine financing will be repaid in part and waived in part with any remaining mezzanine tranche that is held by LIM being converted on Completion to rank pari passu and on the same terms as the senior tranche of the Facility currently held by Barclays. On Completion the Facility will continue (as amended) with Propco as borrower and Barclays and LIM as senior lenders. The restriction relating to the charge in favour of Barclays and LIM on the title registers to the Property will be removed and replaced with new restrictions protecting new security in favour of the lenders which will be registered on the land registry title registers of both the Commercial Long Lease and the Freehold Titles.

2.4 There is a further charge in favour of Leeds City Council ("**LCC**") relating to sums paid by LCC in relation to the historic wind issues at the Property. LCC will be repaid the sum of approximately £1 million by the Seller, prior to Completion, and the charge in favour of LCC will be released.

2.5 The repayment and Completion mechanics are governed by way of the General Undertaking so as to ensure that, once Admission has become effective completion of the Acquisition will automatically follow.

3. THE FACILITY

3.1 Propco, a wholly owned subsidiary of the Company, has conditionally agreed to adopt the existing £38.6 million Facility with Barclays and funds managed by LaSalle Investment Management, as lenders, for a term of 24 months from Completion at a margin of 275bps over SONIA for the initial 12 months, increasing to 325bps for the 13-24 month period. There will be no arrangement fee in respect of the novation. The Facility includes covenants to maintain a Loan to Value ratio of 60 per cent. (once practical completion of the Cladding Works is achieved) and an Interest Cover Ratio (calculated on a historical and forward looking basis) of 125 per cent. for the first two quarters of the Facility and 105 per cent. thereafter.

3.2 The Company intends to refinance the Facility during the course of the 24 month period from the date of Completion. However, there is no guarantee that it will be able to refinance the Facility on acceptable terms or at all. Your attention is drawn to the Risk Factor headed "*The Company is subject to the risk that it will not be able to refinance the Facility on acceptable terms or at all within 24 months*".

4. THE LOAN NOTE ARRANGEMENTS

4.1 Propco has borrowed (indirectly from third party investors) £23 million for a term of five years (expiring on 19 April 2027) with an interest rate of 10 per cent. per annum, payable quarterly in arrears, pursuant to the Loan Note Arrangements. The Loan Note Arrangements do not include early redemption penalties, financial covenants or fees.

4.2 The Loan Note Arrangements are structured as follows:

- Propco has entered into an interest bearing facility agreement (the "**Propco Shareholder Loan**") with its sole shareholder, M7 BWP Holdco Ltd ("**Holdco**") in respect of a loan of up to £23 million on the terms described above;

- Holdco has in turn executed a loan note instrument constituting an up to £23 million fixed rate unsecured loan note (the "**Holdco Loan Notes**"), on effectively the same terms as the Propco Shareholder Loan. There is one noteholder of the Holdco Loan Notes, being Minories Finco Ltd ("**Finco**"). Finco is a special purpose vehicle which sits outside the Group and has been incorporated for the sole purpose of issuing the Finco Loan Notes pursuant to these arrangements; and

- Finco has also in turn executed a loan note instrument constituting up to £23 million fixed rate unsecured loan notes (the "**Finco Loan Notes**"), on effectively the same terms as the Propco Shareholder Loan. Third party purchasers for the Finco Loan Notes have been procured by the AIFM pursuant to the Bookbuild Agreement (for more detail on the Bookbuild Agreement, please see paragraph 11.2 of Part XI (*Additional Information*)).

4.3 The Holdco Loan Notes and Finco Loan Notes are listed on The International Stock Exchange.

PART VII

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE GROUP

Set out below is the unaudited pro-forma statement of net assets of the Group as at 30 September 2022.

The pro forma net asset statement has been prepared for the purpose of illustrating the effect of the Acquisition, Admission and the Issue on the Group's net assets as if they had taken place as at 30 September 2022, and does not reflect any changes in the trading performance of the Group or other changes arising during the period between 30 September 2022 and the date of Admission.

This statement has been prepared on the basis set out in the notes below for illustrative purposes only and, because of its nature, may not give a true picture of the financial position of the Group.

	Net assets of the Group at 30 September 2022 (Note 1) £'000	Placing of new ordinary share capital (Note 2) £'000	Novation of Facility (Note 3) £'000	Issuance of loan note (Note 4) £'000	Acquisition of investment property (Note 5) £'000	Unaudited Pro forma net assets of the Group £'000
Investment property	0	0	0	0	63,000	63,000
Non-Current Assets	0	0	0	0	63,000	63,000
Cash and cash equivalents	50	32,236	38,639	23,000	(65,956)	27,969
Current Assets	50	32,239	38,639	23,000	(65,956)	27,969
Interest bearing secured loan	0	0	(38,639)	0	0	(38,639)
Interest bearing loan note	0	0	0	(23,000)	0	(23,000)
Non-Current Liabilities	0	0	(38,639)	(23,000)	0	(61,639)
Net Assets	50	32,236	0	0	(2,956)	29,330

Notes

1. The net assets of the Company have been extracted without material adjustment from the books and records at 30 September 2022. The amount of those assets reflects the 500,000 shares in issue, comprising 50,000 Ordinary Shares of 10 pence each and 450,000 deferred shares of 10 pence each (which will be paid up immediately prior to Admission).

2. The net proceeds from the Issue of new ordinary shares total £32.2 million, which comprise:

a. Gross proceeds totalling £35.0 million from the issuance of 35 million new ordinary shares at a price of 100 pence per share.

b. Costs directly attributable to the Issue are expected to be £2.8 million.

3. BWP Propco Ltd, a wholly owned subsidiary of the Company will adopt the Facility in the amount of £38.6 million for a term of two years from completion. Further details of the terms and conditions of the Facility are set out in paragraph 3 of Part VI (The Acquisition).

4. BWP Holdco Ltd, a wholly owned subsidiary of the Company, has issued the Holdco Loan Notes on The International Stock Exchange in the amount of £23 million.

5. BWP Propco Ltd, a wholly owned subsidiary of the Company will purchase the Property for a total consideration of £66.0 million, including capitalised acquisition costs. The fair value of the Property is £63 million.

PART VIII

THE REIT REGIME AND TAXATION

1. SUMMARY

1.1 ***Principal tax advantage of REIT status***

The principal tax advantage of REIT status is that the REIT, which in this case, and for the purposes of this Part VIII, will be the Company as principal company of a REIT Group following Admission, Completion and notification to HMRC, and relevant other members of the REIT Group will be exempt from UK corporation tax on both qualifying rental profits and chargeable gains on direct and certain indirect disposals of the Property where this is held for the purposes of the REIT Group's Property Rental Business. This will remove the effective double tax charge currently suffered by many investors in UK companies (see paragraph 2.1 of this Part VIII for more information). The Company has taken tax advice, and on the basis of that advice the Directors confirm that the Company expects to meet the REIT conditions with effect from Admission.

1.2 ***Principal tax disadvantages of REIT status***

The principal tax disadvantages of REIT status are as follows:

1.2.1 in order for it to remain a REIT, the REIT will have to comply with the various tests outlined in paragraph 2.2 of this Part VIII on an ongoing basis; and

1.2.2 withholding tax of 20 per cent. must be deducted from certain dividends made to certain Shareholders (see paragraph 3 of this Part VIII for further details).

Overall, the Board have been advised that the tax advantage of REIT status outweighs the tax disadvantages.

1.3 ***Dividend policy under REIT regime***

The Company will have to meet a minimum distribution test for each accounting period that it is a REIT or the principal company of a REIT Group. This minimum distribution test requires the Company to distribute 90 per cent. of the income profits (as adjusted in accordance with certain UK tax provisions) of the qualifying Property Rental Business for each accounting period. As a REIT Group, the REIT's Property Rental Business profits are the sum of the group's Property Rental Business profits as shown in the REIT Group's group financial statement. See further paragraphs 2.1 and 2.3.3 below. The Board have been advised that the Company's dividend policy should enable the Company to meet this minimum distribution requirement.

1.4 ***The Substantial Shareholder rules***

Under the REIT regime, a tax charge may be levied on the Company if it makes a distribution to or in respect of a Substantial Shareholder, unless the Company has taken "reasonable steps" to avoid such a distribution being paid. This tax charge may be imposed only if, after joining the REIT regime, the Company pays a dividend in respect of a Substantial Shareholding and the dividend is paid to or beneficially owned by a person who is a Substantial Shareholder. The charge is not triggered merely because a Shareholder is a Substantial Shareholder, or if the person beneficially entitled to the dividend is a Substantial Shareholder. The amount of the charge is calculated by reference to the whole dividend paid to the Substantial Shareholder, and not just that part of the dividend attributable to Ordinary Shares held by the Substantial Shareholder in excess of 10 per cent. of the Company's issued share capital. See further paragraph 2.3.2 below. A summary of the Articles is set out at paragraph 7 in Part XI (Additional Information) and the relevant provisions intended to give the Board the powers it needs to demonstrate to HMRC that "reasonable steps" have been taken to avoid making dividends to Substantial Shareholders are set out in paragraphs 4 and 5 of this Part VIII.

1.5 ***Non-close company condition***

As mentioned below in paragraph 2.2.1 of this Part VIII the Company must not be a close company other than only by virtue of having as a participator an "institutional investor". An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent) or a pension scheme, an insurance company, a charity, a person who holds on behalf of a limited partnership which is a collective investment scheme, a registered social landlord, an open-ended investment company or the foreign equivalent of an open-ended investment company, a person with sovereign immunity from UK corporation or income tax, and a UK REIT or the foreign equivalent of a UK REIT. However, the Company may be close for tax purposes for up to three years after joining the regime. If the non-close company requirement is not met at the start of the first day after the end of the first three-year period, the Company will lose its REIT status at the end of the three-year period. If the non-close company requirement is not met at any time after the first day following the first three-year period, the Company will generally cease to be a REIT at the end of the accounting period preceding the accounting period in which the breach began or, if later, the end of the first three-year period. Loss of REIT status would have a material impact on the Company because of the loss of tax benefits conferred by the REIT regime.

Although the Directors do not expect the close company condition to be breached in the ordinary course of events, there is a risk that the Company may fail to meet this condition for reasons beyond its control. However, under certain circumstances a breach of this condition may be disregarded if the reason for the breach is because the Company, and any subsidiaries, become members of another group REIT or if the breach is the result of anything done (or not done) by a person other than the Company and the Company remedies the breach before the end of the accounting period after that in which the breach began.

1.6 ***Exit from the REIT regime***

The Company can give notice to HMRC at any time that it wants to exit the REIT regime. The Board retains the right to decide to exit the REIT regime at any time in the future without the consent of Shareholders if it considers this to be in the best interests of the Company and the Shareholders.

If the Company voluntarily exits the REIT regime within ten years of joining and disposes of any property or other asset that was involved in its Property Rental Business within two years of leaving, any uplift in the base cost of any property held by the Company as a result of the deemed disposal on entry into the REIT regime, movement into the ring fence or exit from the REIT regime would be disregarded in calculating the gain or loss on the disposal. It is important to note that the Company cannot guarantee continued compliance with all of the REIT conditions and that the REIT regime may cease to apply in some circumstances.

HMRC may require the Company or REIT Group to exit the REIT regime if:

1.6.1 it regards a breach of the conditions (including failure to satisfy the conditions relating to the Property Rental Business), or an attempt to avoid tax, as sufficiently serious;

1.6.2 the Company or members of its REIT Group have committed a certain number of breaches of the conditions within a specified period; or

1.6.3 HMRC has given the Company or members of its REIT Group two or more notices in relation to the avoidance of tax by the Company or members of its REIT Group within a ten year period.

The Company or REIT Group may lose its status as a REIT from the first day of joining the REIT regime if during the first accounting period certain conditions have not been met. In such circumstances the REIT status may not apply for the whole period.

In addition, the Company or REIT Group would automatically lose REIT status if any of the following were to occur:

1.6.4 the Company ceases to be solely UK resident for tax purposes;

1.6.5 the Company becomes an open-ended investment company;

1.6.6 the conditions for REIT status relating to the share capital of the Company are breached;

1.6.7 the conditions for REIT status relating to the prohibition on entering into loans which effectively entitle the leader to a share of the profits or certain other equity-like features are breached;

1.6.8 the shares forming the Company's ordinary share capital are not admitted to trading on a recognised stock exchange on the first day of accounting period 1 and throughout the remainder of that period. If this condition is not met in relation to an accounting period and the failure has not arisen as a result of the principal company of the REIT Group becoming a member of another group UK REIT, the REIT Group will be treated as having ceased to be a UK REIT at the end of the previous accounting period. Unless the measures relaxing the listing condition for institutional investors who hold at least 70% of the ordinary share capital has been met. Therefore, shareholders should note that it is possible that the Company or REIT Group could lose its status as a REIT as a result of actions by third parties (for example, if the Company is taken over by a company that is not itself a REIT); or

1.6.9 throughout an accounting period the shares forming the ordinary share capital are not either (i) included in the Official List or officially listed in a qualifying country outside the United Kingdom in accordance with provisions corresponding to those generally applicable in EEA states; or (ii) traded on a recognised stock exchange. Although note that this listing/trading requirement is relaxed in the REIT Group's first three accounting periods.

Future changes in legislation may cause the Company to lose its REIT status.

If the Company or REIT Group is required to leave the REIT regime within 10 years of joining, HMRC has wide powers to direct how the Company or REIT Group should be taxed, including in relation to the date on which the Company or REIT Group is treated as exiting the REIT regime. In some circumstances HMRC can impose a charge which claws back all benefits of having been within the REIT regime.

2. THE REIT REGIME

The following paragraphs are intended as a general guide only and constitute a high-level summary of the Company's understanding of current UK law and HMRC practice, each of which is subject to change. They do not constitute advice.

2.1 *Overview*

The REIT regime is intended to encourage greater investment in the UK property market and follows similar legislation in other European countries, as well as the long-established regime in the United States.

Investing in property through a corporate investment vehicle (such as a UK company) has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholders (but not most UK companies) effectively suffer tax twice on the same income: first, indirectly, when the vehicle pays UK direct tax on its profits; and secondly, directly when the shareholder receives a dividend. Non-tax paying entities, such as UK pension funds, suffer tax indirectly when investing through a corporate vehicle that is not a REIT whereas they do not suffer tax if they invest directly in the property assets.

Provided certain conditions and tests are satisfied (see "Qualification as a REIT" below), REITs will be exempt from UK corporation tax on the profits of their Property Rental Business. Instead, dividends in respect of the Property Rental Business will be treated for UK tax purposes as property income in the hands of shareholders. However, any residual business not falling within the Property Rental Business will remain under the UK corporation tax regime with tax payable on any income and gains.

While within the REIT regime, the Property Rental Business will be ring fenced and therefore treated as a separate business for UK corporation tax purposes to the Residual Business, and a loss incurred by the Property Rental Business cannot be set off against profits of the Residual Business (and vice versa).

A REIT will be required to distribute to its shareholders (by way of a dividend in cash or by way of an issue of share capital in lieu of a cash dividend), generally on or before the filing date for the REIT's tax return for the accounting period in question, at least 90 per cent. of the REIT Group's qualifying Property Rental Business arising in each accounting period. Distributions that are paid out of the property rental business profits and gains are referred to as Property Income Distributions or PIDs. The REIT is required to distribute 100 per cent. of any property income distributions received from other UK REITs. Failure to meet this requirement will result in a UK corporation tax charge calculated by reference to the extent of the failure, although this charge can be avoided if an additional dividend is paid within a specified period which brings profits distributed up to the required level.

In this Part VIII, references to a company's accounting period are to its accounting period for tax purposes. This period can differ from a company's accounting period for other purposes.

Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the UK tax treatment of Shareholders after entry into the REIT regime are contained in paragraph 3 of this Part VIII.

2.2 ***Qualification as a REIT***

A company or group becomes a REIT by correctly serving notice on HMRC before the date from which it wishes to come under the REIT regime. In order to qualify as a REIT, the Company and/or REIT Group must satisfy certain conditions set out in Part 12 of CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the Company and/or REIT Group must satisfy the conditions set out in paragraphs 2.2.1 to 2.2.2 below.

2.2.1 *Company conditions*

The principal company of a REIT Group must be a solely UK tax-resident company whose Ordinary Shares are admitted to trading on a recognised stock exchange, which includes IPSX.

The principal company of a REIT Group must not be an open-ended investment company.

Throughout an accounting period the shares forming the ordinary share capital of the principal company of the REIT Group must either be (i) included in the Official List or officially listed in a qualifying country outside the United Kingdom in accordance with provisions corresponding to those generally applicable in EEA states; or (ii) traded on a recognised stock exchange. This listing/trading requirement is relaxed in the REIT Group's first three accounting periods. Amendments to the regime, applicable to accounting periods that begin on or after 1 April 2022, introduce measures relaxing the conditions for institutional investors, provided the institutional investors holds at least 70% of the ordinary share capital of the REIT.

After the first three years, the principal company of a REIT Group must also not be a close company for UK tax purposes other than by virtue of having as a participator an institutional investor (as to the meaning of institutional investor see paragraph 1.5 above). Broadly, a close company is a UK resident company controlled by five or fewer participators, or by participators who are directors. A participator is a person having a share or interest in the income or capital of a company.

The principal company of a REIT Group must have only one class of Ordinary Shares in issue and the only other shares it may issue are particular types of non-voting restricted preference shares.

The principal company of a REIT Group must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets. A loan is not treated as carrying results-dependent interest by reason only that the terms of the loan provide for interest to reduce if the results improve or to increase if the results deteriorate. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with

the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

2.2.2 *Property rental business conditions*

The Property Rental Business must satisfy the conditions summarised below in respect of each accounting period during which the Company is to be treated as a REIT or the principal company of a REIT Group:

- the Property Rental Business must, throughout the accounting period, involve at least three properties (for these purposes, each part of a multi-occupancy building such as the Property which is capable of being separately rented is treated as a single property); and

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

2.2.3 *Distribution conditions*

- at least 90% of the profits (as measured for tax purposes but excluding capital gains) of the UK property rental business arising in an accounting period must be distributed as a PID, on or before the filing date for the company's tax return for that accounting period (12 months after the period end) and 100 per cent. of any property income distributions received from other UK REITs must be distributed to shareholders of the REIT in the form of a PID on or before the filing date for the REIT's tax return for the accounting period (the "**90 per cent. distribution test**"). For the purpose of satisfying the 90 per cent. distribution test, any dividend withheld in order to comply with the rule relating to Substantial Shareholders (as described in paragraph 2.3.2 below) will be treated as having been paid. The issue of stock dividends will count towards the 90 per cent. distribution test.

2.2.4 *Balance of business conditions*

- the income profits arising from the Property Rental Business must represent at least 75 per cent. of the REIT Group's total profits for the accounting period (the "75 per cent. profits test"). Profits for this purpose means profits before deduction of tax and excludes realised and unrealised gains and losses (for example, gains and losses on the disposal of property, and gains and losses on the revaluation of properties) calculated in accordance with IFRS; and

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

2.2.5 *Investment in other REITs*

Any distribution of profits or gains of the Property Rental Business by a REIT received by another REIT are treated as tax exempt profits of the Property Rental Business of the investing REIT. The investing REIT would be required to distribute 100 per cent. of such dividends to its shareholders. For the purposes of the 75 per cent. assets test, the investment by a REIT in the shares of another REIT will be included as an asset of the investing REIT's Property Rental Business.

2.3 ***Effect of becoming a REIT***

2.3.1 *Tax savings*

As a REIT, the member or members of the REIT Group will not pay UK corporation tax on qualifying profits and gains from the Property Rental Business. The Residual Business will still fall under the UK Corporation Tax regime which includes certain trading activities, incidental letting in relation to property trades and letting of administrative property which is temporarily surplus to requirements.

The member or members of the REIT Group would also continue to pay indirect taxes such as VAT, stamp duty land tax and stamp duty and payroll taxes (such as national insurance) in the normal way.

2.3.2 *The Substantial Shareholder rules*

A REIT will become subject to an additional tax charge if it pays a dividend to, or in respect of, a Substantial Shareholder. The additional tax charge will be calculated by reference to the whole dividend paid to a Substantial Shareholder, and not just by reference to the proportion which exceeds the 10 per cent. threshold. It should be noted that this restriction only applies to shareholders that are bodies corporate and to certain entities which are deemed to be bodies corporate for tax purposes in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement or in accordance with such a double taxation agreement. It does not apply to nominees.

This tax charge will not be incurred if the REIT has taken "reasonable steps" to avoid paying dividends to such a shareholder. HMRC guidance describes certain actions that a REIT may take to show it has taken such "reasonable steps". One of these actions is to include restrictive provisions in the REIT's articles of association to address this requirement. The Articles are consistent with such provisions.

2.3.3 *Dividends*

When a REIT pays a dividend (including a stock dividend), that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution test. If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business. Any remaining balance of the dividend (or other distribution) will be deemed to be a PID: firstly, in respect of the income profits out of which a PID can be paid and which have not been distributed in full; and secondly, a PID paid out of certain chargeable gains which are exempt from tax by virtue of the REIT regime. Any remaining balance will be attributed to any other profits and will be a Non-PID Dividend.

2.3.4 *Interest cover ratio*

A tax charge will arise if, in respect of any accounting period, the ratio of the Company's income profits (before the offset of capital allowances, losses from previous accounting periods and certain other financing costs) in respect of its Property Rental Business to the financing costs incurred in respect of the Property Rental Business is less than 1.25. The ratio is based on the cost of debt finance taking into account interest, amortisation of discounts or premiums and the financing expense implicit in payments made under finance leases. The corporation tax charge is capped at a maximum of 20 per cent. of the profits of the Property Rental Business for the accounting period in question.

2.3.5 *OECD Base Erosion and Profit Shifting, tax deductibility of corporate interest*

Following recommendations from the Organisation for Economic Co-operation and Development (OECD) as part of its Base Erosion and Profit Shifting (BEPS) project and two consultations, the United Kingdom introduced a new corporate interest restriction ("**CIR**") regime in 2017.

The key features of the CIR are that the "tax-interest expense" is restricted to 30 per cent. of a UK group's "tax-EBITDA", with an optional substitution of the fixed 30 per cent. ratio with a worldwide group ratio equalling net "qualifying group-interest expense" divided by

"group-EBITDA". The pre-existing debt cap rules were also replaced with modified rules limiting deductible tax-interest to net accounting finance expenses after certain adjustments. A de minimis of £2 million applies (with only the excess being subject to restriction).

The CIR applies to REITs and section 452 of the Taxation (International and Other Provisions) Act 2010 ("**TIOPA 2010**") provides that for the purposes of the interest deductibility rules:

(a) the REIT's Property Rental Business and Residual Business are treated as two separate group companies.

(b) the profits of the Property Rental Business are assumed not to be exempt from corporation tax when calculating tax-interest expense and tax-EBITDA.

Section 452 of TIOPA 2010 sets out five steps to be followed to calculate how the restricted interest should be allocated between the REIT's Property Rental Business and Residual Business, and will provide that any disallowed amounts allocated to the Property Rental Business must not be so great that the Company would be entitled to ignore the distribution requirement due to having insufficient reserves.

These proposals do not affect the operation of the interest cover ratio rule at 2.3.4.

2.3.6 *Property development and property trading by a REIT*

A property development undertaken by the REIT for the purposes of the investment business can be within the Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of: (a) the date on which the relevant company becomes or becomes a member of a REIT; and (b) the date of the acquisition of the development property, and the REIT sells the development property within three years of completion of the development, the property will be treated as never having been part of the Property Rental Business for the purposes of calculating any gain arising on disposal of the property. Any gain will be chargeable to corporation tax.

If the REIT disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Property Rental Business for the purposes of calculating any profit arising on disposal of the property. Any profit will be chargeable to corporation tax.

2.3.7 *Certain tax avoidance arrangements*

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

2.3.8 *Movement of assets in and out of the Property Rental Business*

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

2.3.9 *Joint ventures*

If a REIT is beneficially entitled to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding up, that joint venture company is carrying on a qualifying property rental business which satisfies the 75 per cent. profits test and the 75 per cent. assets test (the "**JV company**") and certain other

conditions are satisfied, the REIT may, by giving notice to HMRC, elect for the relevant proportion of the assets and income of the JV company to be included in the Property Rental Business for tax purposes. In such circumstances, the income and assets of the JV company will count towards the 90 per cent. distribution test, the 75 per cent. profits test and the 75 per cent. assets test to the extent of the REIT's interest in the JV company. Note that these rules also apply to joint venture groups.

The REIT's share of the underlying income and gains arising from any interest in a tax transparent vehicle carrying on a Property Rental Business, including offshore trusts or partnerships, should automatically fall within the REIT tax exemption, and will count towards the 75 per cent. profits and assets tests, provided the REIT is entitled to at least 20 per cent. of the profits and assets of the relevant tax transparent vehicle. The REIT's share of the Property Rental Business profits arising will count towards the 90 per cent. distribution test.

2.3.10 *Acquisitions and takeovers*

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

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

3. UNITED KINGDOM TAX TREATMENT OF SHAREHOLDERS UNDER REIT STATUS

3.1 ***Introduction***

The following paragraphs are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice, each of which is subject to change, possibly with retrospective effect. They do not constitute advice.

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of Ordinary Shares, in each case, after the Company achieves and maintains REIT status. Except where otherwise indicated, they apply only to Shareholders who are resident for tax purposes solely in the United Kingdom. They apply only to Shareholders who are the absolute beneficial owners of both their PIDs and their Ordinary Shares and who hold their Ordinary Shares as investments. They do not apply to Substantial Shareholders. They do not apply to certain categories of Shareholders, such as dealers in securities or distributors, persons who have or are deemed to have acquired their Ordinary Shares by reason of their or another employment, persons who hold their Ordinary Shares as part of hedging or conversion transactions, or persons who hold their Ordinary Shares in connection with a UK branch, agency or permanent establishment. Except where otherwise indicated at paragraph 3.3.4 (Withholding tax) below, they do not apply to persons holding Ordinary Shares by virtue of an interest in any partnerships, insurance companies, life insurance companies, mutual companies, collective investment schemes, charities, trustees, local authorities, or pension scheme administrators.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

3.2 ***UK taxation of Non-PID Dividends***

3.2.1 *Individual Shareholders*

A UK resident individual Shareholder does not pay income tax on any Non-PID Dividend income they receive in a tax year which is below the tax-free dividend allowance (currently £2,000). The rates of income tax for Non-PID Dividends received above the tax-free dividend allowance will be:

(a) 8.75 per cent. for dividend income within the basic rate income tax band;

(b) 33.75 per cent. for dividend income within the higher rate income tax band; and

(c) 39.35 per cent. for dividend income within the additional rate band.

3.2.2 *Corporate Shareholders*

A Shareholder within the charge to UK corporation tax which is a "small company" (for the purposes of UK taxation of dividends) will not generally be subject to tax on Non-PID Dividends from the Company, provided certain conditions are met.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on Non-PID Dividends from the Company so long as they fall within an exempt class and do not fall within certain specified anti-avoidance provisions. Examples of dividends that are within an exempt class are dividends paid on "non-redeemable Ordinary Shares" for UK tax purposes and dividends in respect of portfolio holdings, where the recipient owns less than 10 per cent. of the issued share capital of the payer (or any class of that share capital).

3.3 ***UK taxation of PIDs***

3.3.1 *UK taxation of individual Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in Section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a separate UK property business from any other UK property business (a "**different UK property business**") carried on by the relevant Shareholder. This means that surplus expenses from a Shareholder's different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder's UK property business.

Please see also paragraph 3.3.4 (Withholding tax) below.

3.3.2 *UK taxation of corporate Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to UK corporation tax as profit of a UK property business (as defined in Section 205 of the Corporation Tax Act 2009). This means that, subject to the availability of any exemptions or reliefs, such Shareholders should be liable to UK corporation tax on income on the entire amount of their PID. A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a different UK property business carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be off-set against a PID as part of a single calculation of the Shareholder's UK property profits.

Please see also paragraph 3.3.4 (Withholding tax) below.

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

Where a Shareholder who is resident outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding by the Company.

Please see also paragraph 3.3.4 (Withholding tax) below.

3.3.4 *Withholding tax*

- General
  Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs. The Company will provide Shareholders with a certificate setting out the amount of tax withheld.

- Shareholders solely resident in the UK
  Where UK income tax has been withheld at source, Shareholders who are individuals may, depending on their circumstances, either be liable to further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are bodies corporate may, depending upon their circumstances, be liable to pay UK corporation tax on their PID but they should note that, where income tax is (exceptionally) withheld at source, the tax withheld can be set against the Shareholder's liability to UK corporation tax in the accounting period in which the PID is received.

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

- Exceptions to requirement to withhold income tax
  Shareholders should note that in certain circumstances the Company may not be obliged to withhold UK income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, a charity, or a body mentioned in Section 468 of the CTA 2010 which is allowed the same exemption from tax as a charity. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, or the subscheme administrator of certain pension sub-schemes or the account manager of an individual savings account ("**ISA**"), provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme or account.

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

  In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose, the Company will require such Shareholders to submit a valid claim form prior to the payment of PID.

3.4 ***UK taxation of chargeable gains***

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to UK capital gains tax in respect of any gain arising on a disposal of their Ordinary Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,300 for the tax year 2022-2023. Capital gains tax chargeable will be at the current rate of 10 per cent. (for basic rate taxpayers) and 20 per cent. (for higher and additional rate taxpayers) during the tax year 2022-2023.

Shareholders who are individuals and who are temporarily non-resident in the UK ("**Temporary Non-Residents**") may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax on chargeable gains arising on a disposal of their Ordinary Shares. The indexation allowance is no longer available.

Shareholders who are not resident in the United Kingdom and who are not Temporary Non-Residents may be subject to UK tax on chargeable gains arising on a sale or other disposal of share that derive at least 75 per cent. of their value from UK land where the person making the disposal has a "substantial indirect interest" in the UK land. It is expected that the Ordinary Shares will derive at least 75 per cent. of their value from UK land for this purpose and, on the basis that the Company is a REIT at the time of any relevant disposal, all Shareholders will be regarded as having a substantial indirect interest in UK land, irrespective of the size of their shareholding. Were the Company not to be a REIT at the time of any relevant disposal, then a Shareholder will only be regarded as having a substantial interest in UK land if (broadly) they hold 25 per cent. or more of the Shares in the Company.

Accordingly, a non-UK resident Shareholder may be liable to UK tax on chargeable gains in respect of a Sale or other disposal of Ordinary Shares depending on the Shareholder's circumstances, including the availability of any exemption or relief (including exemption under the terms of an applicable double taxation agreement).

3.5 ***UK stamp duty and stamp duty reserve tax***

Transfers on a sale of Ordinary Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer, rounded up to the nearest £5. The purchaser normally pays the stamp duty.

An agreement to transfer Ordinary Shares will normally give rise to a charge to stamp duty reserve tax ("**SDRT**") at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Ordinary Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

3.6 ***ISAs and SIPPs***

Ordinary Shares acquired by a UK resident individual Shareholder pursuant to the Issue or in the secondary market (but not Ordinary Shares acquired directly under the Issue) should be eligible to be held in an ISA, subject to applicable annual subscription limits.

Investments held in ISAs will be free of UK tax on both capital gains and income. Sums received by a Shareholder on a disposal of Ordinary Shares would not count towards the Shareholder's annual limit; but a disposal of Ordinary Shares held in an ISA will not serve to make available

again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility.

Subject to the rules of the trustees of the self-invested pension plan ("**SIPP**"), the Ordinary Shares should be eligible for inclusion in a SIPP provided, broadly, that the pension scheme member (or a connected person) does not occupy or use any residential property held by the Company and the SIPP in question does not hold (directly or indirectly) more than 10 per cent. of any of the Ordinary Shares or the Company's voting rights or rights to income or amounts on a distribution or rights to the assets on a winding up.

4. DESCRIPTION OF THE REIT PROVISIONS INCLUDED IN THE ARTICLES

4.1 *Introduction*

The Articles contain provisions designed to enable the Company to demonstrate to HMRC that it has taken "reasonable steps" to avoid paying a dividend (or making any other distribution) to any Substantial Shareholder.

If a distribution is paid to a Substantial Shareholder and the Company has not taken reasonable steps to avoid doing so, the Company would become subject to a UK corporation tax charge.

The Articles contain special articles for this purpose (the "**Special Articles**"). The text of the Special Articles is set out in paragraph 5 of this Part VIII.

The Special Articles:

- provide Directors with powers to identify its Substantial Shareholders (if any);
- prohibit the payment of dividends on Ordinary Shares that form part of a Substantial Shareholding, unless certain conditions are met;
- allow dividends to be paid on Ordinary Shares that form part of a Substantial Shareholding where the Shareholder has disposed of sufficient interests in all or some of the shares concerned, including the rights to dividends on its Ordinary Shares; and
- seek to ensure that if a dividend is paid on Ordinary Shares that form part of a Substantial Shareholding and arrangements of the kind referred to in the preceding paragraph are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend.

The effect of the Special Articles is explained in more detail below.

4.2 *Identification of Substantial Shareholders*

The share register of the Company records the legal owner and the number of Ordinary Shares they own but does not identify the persons who are beneficial owners of the Ordinary Shares or are entitled to control the voting rights attached to the Ordinary Shares or are beneficially entitled to dividends. While the requirements for the notification of interests in shares provided in Part VI of the Companies Act 2006 and the Board's rights to require disclosure of such interests (pursuant to Part 22 of the Companies Act 2006 and Article 43.1(A) of the Articles) should assist in the identification of Substantial Shareholders, those provisions are not on their own sufficient.

Accordingly, the Special Articles require a Substantial Shareholder and any registered Shareholder holding Ordinary Shares on behalf of a Substantial Shareholder to notify the Company if his Ordinary Shares form part of a Substantial Shareholding. Such a notice must be given as soon as reasonably practicable but not later than the earlier of (i) two business days following the relevant Ordinary Shares forming part of a Substantial Shareholding; or (ii) prior to the Company making a distribution. The Special Articles give the Board the right to require any person to provide information in relation to any Ordinary Shares in order to determine whether the Ordinary Shares form part of a Substantial Shareholding. If the required information is not provided within the time specified (which is seven days after a request is made or such other

period as the Board may decide), the Board is entitled to impose sanctions, including withholding dividends (as described in paragraph 4.3 below) and/or requiring the transfer of the Ordinary Shares to another person who is not, and does not thereby become, a Substantial Shareholder (as described in paragraph 4.6 below).

4.3 ***Preventing payment of a dividend to a Substantial Shareholder***

The Special Articles provide that a dividend will not be paid on any Ordinary Shares that the Board believes may form part of a Substantial Shareholding, unless the Board is satisfied that the Substantial Shareholder is not beneficially entitled to receive a dividend payable on such Ordinary Shares.

If in these circumstances payment of a dividend is withheld, the dividend will be paid subsequently if the Board is satisfied that:

- the Substantial Shareholder concerned is not beneficially entitled to the dividends (see also paragraph 4.4 below);
- the shareholding is not part of a Substantial Shareholding;
- all or some of the Ordinary Shares and the right to the dividend have been transferred to a person who is not, and does not thereby become, a Substantial Shareholder (in which case the dividends will be paid to the transferee); or
- sufficient Ordinary Shares have been transferred (together with sufficient rights including the right to the dividends) such that the Ordinary Shares retained are no longer part of a Substantial Shareholding (in which case the dividends will be paid on the retained Ordinary Shares).

For this purpose, references to the "transfer" of an Ordinary Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Ordinary Share.

4.4 ***Payment of a dividend where rights to it have been transferred***

The Special Articles provide that dividends may be paid on Ordinary Shares that form part of a Substantial Shareholding if the Board is satisfied that the right to the dividend has been transferred to a person who is not, and does not thereby become, a Substantial Shareholder and the Board may be satisfied that the right to the dividend has been transferred if it receives a certificate containing appropriate confirmations and assurances from the Substantial Shareholder. Such a certificate may apply to a particular dividend or to all future dividends in respect of Ordinary Shares forming part of a specified Substantial Shareholding, until notice rescinding the certificate is received by the Company. A certificate that deals with future dividends will include undertakings by the person providing the certificate:

- to ensure that the entitlement to future dividends will be disposed of; and
- to inform the Company immediately of any circumstances which would render the certificate no longer accurate.

The Directors may require that any such certificate is copied or provided to such persons as they may determine, including HMRC.

If the Board is advised a certificate given in these circumstances is or has become inaccurate, then it will be able to withhold payment of future dividends (as described in paragraph 4.3 above). In addition, the Board may require a Substantial Shareholder to pay to the Company the amount of any tax payable (and other costs incurred) as a result of a dividend having been paid to a Substantial Shareholder in reliance on the inaccurate certificate. The Board may require a sale of the relevant Ordinary Shares and retain the amount claimed from the proceeds.

Certificates provided in the circumstances described above will be of considerable importance to the Company in determining whether dividends can be paid. If the Company suffers loss as a result of any misrepresentation or breach of undertaking given in such a certificate, it may seek to recover damages directly from the person who has provided it. Any such tax may also be

recovered out of dividends to which the Substantial Shareholder concerned may become entitled in the future or from the proceeds of selling the relevant shares.

The effect of these provisions is that there is no restriction on a person becoming or remaining a Substantial Shareholder provided that the person who does so makes appropriate arrangements to divest itself of the entitlement to dividends.

4.5 ***Trust arrangements where rights to dividends have not been disposed of by a Substantial Shareholder***

The Special Articles provide that if a dividend is in fact paid on Ordinary Shares forming part of a Substantial Shareholding (which might occur, for example, if a Substantial Shareholding is split among a number of nominees and is not notified to the Company prior to a dividend payment date) the dividends so paid are to be held on trust by the recipient for any person (who is not a Substantial Shareholder) nominated by the Substantial Shareholder concerned. The person nominated as the beneficiary could be the purchaser of the Ordinary Shares if the Substantial Shareholder is in the process of selling down their holding so as not to cause the Company to breach the Substantial Shareholder rule. If the Substantial Shareholder does not nominate anyone within 12 years, the dividend concerned will be held on trust for the Company or such charity as the Board may nominate.

If the recipient of the dividend passes it on to another without being aware that the Ordinary Shares in respect of which the dividend was paid were part of a Substantial Shareholding, the recipient will have no liability as a result. However, the Substantial Shareholder who receives the dividend should do so subject to the terms of the trust and as a result may not claim to be beneficially entitled to those dividends.

4.6 ***Mandatory sale of Substantial Shareholdings***

The Special Articles also allow the Board to require the disposal of Ordinary Shares forming part of a Substantial Shareholding if:

- a Substantial Shareholder has been identified and a dividend has been announced or declared and the Board has not been satisfied that the Substantial Shareholder has transferred the right to the dividend (or otherwise is not beneficially entitled to it);
- there has been a failure to provide information requested by the Board; or
- any information provided by any person proves materially inaccurate or misleading.

In these circumstances, if the Company incurs a charge to tax as a result of one of these events or the requirements of a disposal notice are not complied with to the satisfaction of the Board within the specified period, the Board may, instead of requiring the Shareholder to dispose of the Ordinary Shares, arrange for the sale of the relevant Ordinary Shares and for the Company to retain from the sale proceeds an amount equal to any tax so payable.

4.7 ***Takeovers***

The Special Articles do not prevent a person from acquiring control of the Company through a takeover or otherwise, although as explained above, such an event may cause the Company to cease to qualify as a REIT.

4.8 ***Other***

The Special Articles also give the Company power to require any Shareholder who applies to be paid dividends without any tax withheld to provide such certificate or declarations as the Board may require from time to time.

The Special Articles may be amended by special resolution passed by the Shareholders in the future, including to give powers to the Directors to ensure that the Company can comply with the close company condition described in paragraphs 1.5 and 2.2.1 of this Part VIII, which powers may include the ability to arrange for the sale of Ordinary Shares on behalf of Shareholders.

5. THE SPECIAL ARTICLES

Real Estate Investment Trust

138 ***Cardinal principle***

138.1 It is a cardinal principle that, for so long as the Company qualifies as a REIT, it should not be liable to pay tax under Section 551 of the CTA 2010 on or in connection with the making of a Distribution.

138.2 Articles 139 to 143 support such cardinal principle by, among other things, imposing restrictions and obligations on the members and, indirectly, certain other persons who may have an interest in the Company and shall be construed accordingly so as to give effect to such cardinal principle.

138.3 The Board will use reasonable diligence to ensure that the provisions of Articles 139 to 143 are followed.

139 ***Notification of Substantial Shareholder and other status***

139.1 Each member and any other relevant person shall serve notice in writing on the Company at the Office on:

(A) his becoming a Substantial Shareholder (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to (in either case whether directly or indirectly), details of the identity of the member(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the Board may require from time to time, such other information, certificates or declarations to be provided promptly following a request therefor);

(B) his becoming a Relevant Registered Shareholder (together with such details of the relevant Substantial Shareholder and such other information, certificates or declarations as the Board may require from time to time, such other information, certificates or declarations to be provided promptly following a request therefor); and

(C) any change to the particulars contained in any such notice under (A) or (B) above (or in such other information, certificates or declarations), including on the relevant person ceasing to be a Substantial Shareholder or a Relevant Registered Shareholder.

Any such notice shall be delivered as soon as reasonably practicable but not later than the earlier of (i) by the end of the second Business Day after the day on which the person becomes a Substantial Shareholder or a Relevant Registered Shareholder or the change in relevant particulars; or (ii) prior to the Company making a Distribution; or (iii) within such shorter or longer period as the Board may specify from time to time.

139.2 the Board may at any time give notice in writing to any person requiring him, within such period as may be specified in the notice (being seven days from the date of service of the notice or such shorter or longer period as the Board may specify in the notice), to deliver to the Company at the Office such information, certificates and declarations as the Board may require to establish whether or not he is a Substantial Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such person shall deliver such information, certificates and declarations within the period specified in such notice.

140 ***Distributions in respect of substantial shareholdings***

140.1 In respect of any Distribution, the Board shall, if the Board determines that the condition set out in Article 140.2 is satisfied in relation to any shares in the Company, withhold payment of such Distribution on or in respect of such shares. Any Distribution so withheld shall be paid as provided in Article 140.3 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.

140.2 The condition referred to in Article 140.1 is that, in relation to any shares in the Company and any Distribution to be paid or made on and in respect of such shares:

(A) the Board believe that such shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder, and

(B) the Board are not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid, and, for the avoidance of doubt, if the shares comprise all or part of a Substantial Shareholding in respect of more than one Substantial Shareholder this condition is not satisfied unless it is satisfied in respect of all such Substantial Shareholders.

140.3 If a Distribution has been withheld on or in respect of any shares in the Company in accordance with Article 140.1, provided that one of the following criteria applies, it shall be paid as follows:

(A) if it is established to the satisfaction of the Board that the condition in Article 201(2) is not satisfied in relation to such shares, in which case the whole amount of the Distribution withheld shall be paid; and

(B) if the Board is satisfied that sufficient interests in all or some of the shares concerned, including the rights to the Distribution attributable to such shares, have been transferred to a third party so that such transferred shares no longer form part of the Substantial Shareholding, in which case the Distribution attributable to such shares shall be paid (provided the Board is satisfied that following such transfer such shares concerned do not form part of a Substantial Shareholding); and

(C) if the Board is satisfied that as a result of a transfer of interests in shares referred to in Article 140.3(B) above the remaining shares no longer form part of a Substantial Shareholding, in which case the Distribution attributable to such remaining shares shall be paid.

In this Article 140, references to the "transfer" of a share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that share.

140.4 A Substantial Shareholder may satisfy the Board that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The Board shall be entitled to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the Board shall be entitled to (i) require such other information, certifications or declarations as they think fit; or (ii) continue to withhold payment of a Distribution where they believe that such Distribution Transfer Certificate will or may not be complied with or has become inaccurate.

140.5 The Board may withhold payment of a Distribution on or in respect of any shares in the Company if any notice given by the Board pursuant to Article 140.2 in relation to such shares shall not have been complied with to the satisfaction of the Board within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the Board unless the Board withholds payment pursuant to Article 140.1 and until such payment the persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.

140.6 If the Board decides that payment of a Distribution should be withheld under Article 140.1 or Article 140.5, they shall within seven Business Days give notice in writing of that decision to the Relevant Registered Shareholder. If the Board decide that payment of a Distribution should be made under Article 140.2, they shall inform the recipient of such Distribution in writing explaining the reason that they have decided to pay such Distribution.

140.7 If any Distribution shall be paid on or in respect of a Substantial Shareholding and an Excess Charge becomes payable, the Substantial Shareholder shall indemnify the Company (on an after tax basis) against and on demand pay to the Company an amount

(calculated on an after-tax basis) equal to the amount of such Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company. Without prejudice to the right of the Company to claim such amount from the Substantial Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to Article 142.2 or out of any subsequent Distribution in respect of the shares to such person or to the holders of all shares in relation to or by virtue of which the Board believes that person has an interest in the Company (whether that person is at that time a Substantial Shareholder or not).

141 ***Distribution trust***

141.1 If a Distribution is paid on or in respect of a Substantial Shareholding (except where the Distribution is paid in circumstances where the Substantial Shareholder is not otherwise beneficially entitled to the Distribution or the Board has determined that they are satisfied that no Excess Charge will arise in connection with payment thereof), the Distribution and any income arising from it shall be held by the payee or other recipient to whom the Distribution or right to it is transferred by the payee on trust absolutely for the sole benefit of the persons nominated by the relevant Substantial Shareholder under Article 141.2 in such proportions as the relevant Substantial Shareholder shall in the nomination direct. In the absence of a valid nomination under Article 141.2 being made (which may only be made in the 12 years following the Distribution), the Distribution and any income arising from it shall be held by the payee on trust absolutely for the sole benefit of the Company or, where this would or in the opinion of the Board may cause any condition of the REIT Legislation to be breached, for such UK registered charity as may be nominated by the Board at that time.

141.2 The relevant Substantial Shareholder of shares in the Company on or in respect of which a Distribution is paid shall be entitled within 12 years following the Distribution to nominate in writing any two or more persons (not being Substantial Shareholders) to be the beneficiaries of the trust on which the Distribution is held under Article 141.1 and the Substantial Shareholder may in any such nomination state the proportions in which the Distribution is to be held on trust for the nominated persons, failing which the Distribution shall be held on trust for the nominated persons in equal proportions. No person may be nominated under this Article 142.2 who is or would, on becoming a beneficiary in accordance with the nomination, become a Substantial Shareholder. If the Substantial Shareholder making the nomination is not by virtue of Article 141.1 the trustee of the trust, the nomination shall not take effect until it is delivered to the person who is the trustee.

141.3 Any income arising from a Distribution which is held on trust under Article 141.1 shall until the earlier of (i) the making of a valid nomination under Article 141.2 and (ii) the expiry of the period of 12 years from the date when the Distribution is paid be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place. The Company shall be entitled to deduct and pay to HMRC any tax due on the income arising for which it or any member of the Group is liable to account.

141.4 No person who by virtue of Article 141.1 holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.

141.5 No person who by virtue of Article 141.1 holds a Distribution on trust shall be liable for any breach of trust unless due to his own wilful fraud or wrongdoing or, in the case of an incorporated person, the fraud or wilful wrongdoing of its directors, officers or employees.

142 ***Obligation to dispose***

142.1 If at any time, the Board believes that:

(A) in respect of any Distribution declared or announced, the condition set out in Article 140.1 is satisfied in respect of any shares in the Company in relation to that Distribution; or

(B) a notice given by the Board pursuant to Article 139.2 in relation to any shares in the Company has not been complied with to the satisfaction of the Board within the period specified in such notice; or

(C) any information, certificate or declaration provided by a person in relation to any shares in the Company for the purposes of this Article 142.1 was materially inaccurate or misleading,

the Board may give notice in writing (a "**Disposal Notice**") to any persons they believe are Relevant Registered Shareholders in respect of the relevant shares requiring such Relevant Registered Shareholders within 21 days of the date of service of the notice (or such longer or shorter time as the Board considers to be appropriate in the circumstances) to dispose of such number of shares the Board may in such notice specify or to take such other steps as will cause the condition set out in Article 140.1 no longer to be satisfied. The Board may, if they think fit, withdraw a Disposal Notice.

142.2 If:

(A) the requirements of a Disposal Notice are not complied with to the satisfaction of the Board within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or

(B) a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable, the Board may arrange for the Company to sell all or some of the shares to which the Disposal Notice relates or, as the case may be, that form part of the Substantial Shareholding concerned. For this purpose, the Board may make such arrangements as they deem appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of the relevant shares and, in the case of a share in uncertificated form, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant share through a relevant system.

142.3 Any sale pursuant to Article 142.2 above shall be at the price which the Board considers is the best price reasonably obtainable and the Board shall not be liable to the holder or holders of the relevant share for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.

142.4 The net proceeds of the sale of any share under Article 142.2 (less any amount to be retained pursuant to Article 140.5 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant share upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.

142.5 The title of any transferee of shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this Article 142.

143 ***General***

143.1 the Board shall be entitled to presume without enquiry, unless any Director has reason to believe otherwise, that a person is not a Substantial Shareholder or a Relevant Registered Shareholder.

143.2 the Board shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular person) pursuant to Articles 138.1 to 143 and any such determination or decision shall be at the absolute discretion of the Board and shall be final and binding on all persons unless and until it is revoked or changed by the Board. Any disposal or transfer made or other thing done by or on behalf of the Board or any Director pursuant to Articles 139 to 143 shall be binding on all persons and shall not be open to challenge on any ground whatsoever.

143.3 Without limiting their liability to the Company, the Board shall be under no liability to any other person, and the Company shall be under no liability to any member or any other

person, for identifying or failing to identify any person as a Substantial Shareholder or a Relevant Registered Shareholder.

143.4 the Board shall not be obliged to serve any notice required under Articles 139 to 145 upon any person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error in or failure to give any notice to any person upon whom notice is required to be served under Articles 138 to 143 shall not prevent the implementation of or invalidate any procedure under Articles 138 to 143.

143.5 The provisions of Articles 114 to 124 and Article 125 shall apply to the service upon any person of any notice required by Articles 138 to 143. Any notice required by Articles 138 to 143 to be served upon a person who is not a member or upon a person who is a member but whose address is not within the United Kingdom shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that person or member at the address if any, at which the Board believes him to be resident or carrying on business or, in the case of a holder of depositary receipts or similar securities, to the address, if any, in the register of holders of the relevant securities Service shall, in such a case be deemed to be effected on the day of posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.

143.6 Any notice required or permitted to be given pursuant to Articles 138 to 143 may relate to more than one share and shall specify the share or shares to which it relates.

143.7 The Company may withhold amounts on account of tax from any amount payable in connection with these Articles where so required by law or FATCA or where it believes it is so required by law or FATCA. The Board may require from time to time any person who is or claims to be a person to whom a Distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such certificates or declarations as they may require from time to time.

143.8 Any of Articles 138 to 143 may be amended by special resolution from time to time, including to give powers to the Board to take such steps as they may require in order to ensure that the Company can satisfy Condition D of Section 528 of the CTA 2010 which relates to close company status, which powers may include the ability to arrange for the sale of shares on behalf of members.

143.9 Where any certificate or declaration may be or is required to be provided by any person (including, without limitation, a Distribution Transfer Certificate) pursuant to any of Articles 138 to 143, such certificate or declaration may be required by the Board (without limitation):

(A) to be addressed to the Company, the Board or such other persons as the Board may determine (including HMRC);

(B) to include such information as the Board considers is required for the Company to comply with any Reporting Obligation;

(C) to contain such legally binding representations and obligations as the Board may determine;

(D) to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;

(E) to be copied or provided to such persons as the Board may determine (including HMRC); and

(F) to be executed in such form (including as a deed or deed poll) as the Board may determine.

The provisions of Articles 138 to 143 shall apply notwithstanding any provisions to the contrary in any other Article (including, without limitation, Articles 102 to 113).

6. AUTOMATIC EXCHANGE OF INFORMATION

The United Kingdom has signed a Model 1 intergovernmental agreement with the United States (the "**US-UK IGA**") to give effect to the United States Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and US Treasury Regulations promulgated thereunder (together, as amended from time to time, "**FATCA**"). Pursuant to the US-UK IGA and the related UK legislation, regulations and guidance, the Company is required to report certain information about "Specified U.S. Persons" (as defined in the US-UK IGA) that own, directly or indirectly, an interest in the Company. If the Company does not comply with these obligations, it may be subject to a 30 per cent withholding tax on certain payments to it of US source income (including interest and dividends) (a "**FATCA Deduction**"), and to financial penalties under the relevant UK legislation.

Under the terms of the current US-UK IGA, the Company will generally not be required to withhold tax on payments made to an account holder (i.e. a Shareholder) or to close recalcitrant accounts. The Company will be required to report certain information in respect of any "Specified U.S. Persons" to HMRC and HMRC will exchange this information, on an automatic basis annually, with the US Internal Revenue Service.

A number of other jurisdictions have entered into or are committed to entering into intergovernmental agreements for the automatic cross-border exchange of tax information similar to the US-UK IGA, including, in particular, under a regime known as the OECD Common Reporting Standard ("**CRS**"). The United Kingdom has signed, along with over 100 other countries, a multilateral competent authority agreement to implement the CRS, and has issued regulations and guidance to give effect to the CRS. These regulations require United Kingdom "Financial Institutions", including the Company, to identify specified persons in participating jurisdictions under the CRS, and to report related information to HMRC (for automatic exchange with the relevant tax authorities in such jurisdictions). The Company may be subject to financial penalties if it fails to comply with the requirements of the UK regulations giving effect to CRS.

While the Company will seek to satisfy its obligations under FATCA, the US-UK IGA, the CRS and the associated implementing legislation in the United Kingdom to avoid the imposition of any FATCA Deductions and financial penalties, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Ordinary Shares (if any). There can be no assurance that the Company will be able to satisfy such obligations. If a Shareholder, or any related party, causes the Company to suffer a FATCA Deduction, financial penalty, or other cost, expense or liability, or the Company is required to make a FATCA Deduction from such Shareholder, the Company may take any action available to it to ensure that the FATCA Deduction or financial penalty and other associated costs, expenses and liabilities are economically borne by such Shareholder. Such action may (without limitation) include the compulsory sale of any Ordinary Shares held by such Shareholder and the Company reducing or refusing to make payment to such Shareholder of any dividends or other amounts.

All Shareholders and prospective investors should consult with their own tax advisers regarding the possible implications of FATCA, the US-UK IGA, CRS and the associated implementing legislation in the United Kingdom any other similar legislation and/or regulations on their investments in the Company.

PART IX

REGULATION

A number of rules and regulations, including but not limited to the AIFM Rules, MiFID II Directive and MiFID II Regulation, apply in respect of the Group. The Company will not be regulated as a collective investment scheme by the FCA however, the Company will, from Admission, be subject to the IPSX Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation. A summary of each of the AIFM Rules and certain rules introduced in the UK alongside the implementation of MiFID II Directive and their application to the Company, Group, Asset Manager and AIFM are included below. In addition, a summary of the continuing obligations imposed on the Group by IPSX is included below.

The AIFM Rules

Under the AIFM Rules, the Company as an alternative investment fund must appoint an AIFM, which is duly authorised and has the appropriate permissions from the FCA.

The AIFM Rules, impose requirements on alternative investment fund managers, such as the AIFM, which manage and/or market alternative investment funds. The AIFM will be subject to certain transparency obligations and asset stripping restrictions in respect of the Company under the AIFM Rules.

The AIFM Rules impose, inter alia, additional disclosure, internal organisation, depositary and reporting requirements in relation to the AIFM, the Company and the Property. In particular, as the AIFM of the Company, M7 Real Estate Financial Services Limited, is required to comply with on-going capital, reporting and transparency obligations and a range of organisational requirements and conduct of business rules. The AIFM must also adopt a range of policies and procedures addressing areas such as risk management, liquidity management, conflicts of interest, valuations, compliance, internal audit and remuneration. If the AIFM were to fail to comply with the legal and other regulatory requirements applicable to an authorised AIFM or otherwise cease to hold the authorisations or permissions necessary for the proper performance of its duties in respect of the Company, the AIFM would not be permitted to continue to undertake the investment management of the Company and a successor alternative investment fund manager (duly authorised and with appropriate permissions) would need to be appointed to perform this function.

MiFID II related rules

In addition, the AIFM is subject to certain rules introduced in the UK alongside the implementation of the MiFID II Directive including product governance.

IPSX Rules and IPSX Continuing Obligations

The rules imposed by IPSX for admission to trading on IPSX Wholesale include the appointment of an IPSX lead advisor, an IPSX approved valuer and an IPSX market maker, in each case as such terms are defined in the IPSX Rules. IPSX Wholesale is intended for institutional investors only. IPSX defines institutional investors as the type of clients meeting the FCA Handbook's definition of an Eligible Counterparty, a Per se Professional Client or, with respect to rule 3.5.3 (1) and (3) of the Conduct of Business Sourcebook of the FCA Handbook, an Elective Professional Client. At the time of Admission, the IPSX Rules require the Group's loan-to-value ratio must not be more than 80 per cent. As at Admission, the expected LTV ratio (as defined as debt less cash (after expenses) divided by the Property value) is expected to be approximately 53.4 per cent.

Following Admission, the Group must comply with the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation. Under the IPSX Rules, the Company must also publish half-yearly and annually the executive summary of a Red Book Valuation Report (as such term is defined in IPSX Rules) prepared by an IPSX Approved Valuer. The half yearly valuation report must be published as soon as possible, but no later than 60 calendar days after the end of the period to which the report relates and, in any event, no later than the publication of the Group's half-yearly financial report.

Under the IPSX Rules, the Group's applications and submissions to the UK Land Registry are required to be filed in accordance with the HM Land Registry guidance and kept up to date.

The IPSX Rules also impose continuing obligations with regards to significant transactions, related party transactions and reverse takeovers.

Cancellation of trading on IPSX Wholesale

The IPSX Rules state that in order for an issuer to cancel admission of its financial instruments, the issuer must notify IPSX at least 10 business days prior to the intended date of cancellation. Cancellation of the admission of an issuer's financial instruments shall be conditional upon: a) the issuer sending an explanatory circular to shareholders; and b) obtaining consent to the cancellation from 90 per cent. of votes cast (in person or by proxy) from those shareholders entitled to vote.

Other Rules, Directives and Regulations

While the Group is subject to various other directives, rules and regulations, including but not limited to local and national environmental and health and safety rules and regulations, the Directors do not believe that any of these rules and regulations are individually material to the Group's business or operations.

PART X

DETAILS OF THE ISSUE

1. THE ISSUE

The Company proposes to issue 35,000,000 new Ordinary Shares pursuant to the Issue, Subscribers for which have been procured by the AIFM. The Subscribers for such new Ordinary Shares have entered into subscription agreements with the Company (the "**Subscription Agreements**") or (in order to facilitate settlement) placing letters with WH Ireland (the "**Placing Letters**"), pursuant to which the Subscribers have agreed to subscribe for the number of new Ordinary Shares applied for by them, conditional only on Admission. The Issue is not being underwritten.

Each Subscriber has agreed to be bound by the Articles of Association (as amended from time to time) on acquisition of the Ordinary Shares subscribed for by such Subscriber. Each Subscription Agreement and Placing Letter and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. Each Subscriber has irrevocably submitted to the jurisdiction of the courts of England and Wales and waived any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an appropriate forum. This does not prevent an action being taken against the Subscriber in any other jurisdiction.

Commitments under the Issue, once made, may not be withdrawn without the consent of the Directors.

2. COSTS AND EXPENSES OF THE ISSUE

The proceeds of the Issue, after deduction of expenses relating to the incorporation of the Company, the Issue and Admission, are expected to be £32.2 million.

3. CREST

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

4. DEALINGS

Application will be made to IPSX for all of the Ordinary Shares of the Company issued and to be issued in connection with the Issue to be admitted to trading on IPSX Wholesale. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence at 9.00 a.m. (London time) on 16 November 2022. Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Ordinary Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system.

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched by post at the risk of recipients to the relevant holders by 30 November 2022. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfer of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

The ISIN number of the Ordinary Shares is GB00BQ1NFW69, the CFI Code is ESVUFR and the SEDOL code is BQ1NFW6.

The Company does not guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the Net Asset Value per Ordinary Share.

5. LOCK-IN ARRANGEMENTS

As required by the IPSX Rules and pursuant to the Lead Adviser Agreement and separate lock-up deeds, M7, M7 Real Estate Mouseco Limited, each of the Directors and each of Richard Croft, Tony Edgley, David Ebbrell, Jack Thoms and Ruth Miley have agreed not to offer, sell, contract to sell, pledge, charge, agree to lend, grant options over or otherwise dispose of, directly or indirectly: (i) any Ordinary Shares held by them on Admission; or (ii) securities convertible or exchangeable into or exercisable for or representing the right to receive any Ordinary Shares; or (iii) warrants or other rights to purchase shares representing the right to receive any Ordinary Shares; or (iv) any security or financial product whose value is determined, directly or indirectly, solely by reference to the price of the Ordinary Shares, including equity swaps and forward sales, whether in the domestic or international markets, nor to mandate any third party to do so, or announce the intention to do so, (a "**Disposal**") without the prior written consent of IPSX for the period from Admission until the date falling 12 months after (but excluding) Admission. Such restrictions do not apply to any Disposal that would otherwise be permitted by the IPSX Rules.

PART XI

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and each of the Directors, whose names appear on page 10 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge of the Company and the Directors, having taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and this Document contains no omission likely to affect its import.

2. THE ISSUER GROUP

2.1 ***Incorporation of the Company***

The Company's name is BWP REIT PLC and the Company has an indefinite life.

The Company was incorporated in England and Wales on 20 August 2020 with registered number 12827322 as public company limited by shares under the Companies Act 2006 and will be registered with ISIN GB00BQ1NFW69. The Company's LEI number is 213800OA2E4MZ6H5ME88.

The principal place of business and registered office of the Company is C/O Alter Domus (UK) Limited, 10th floor, 30 St Mary Axe, London, EC3A 8BF and its telephone number is +44 (0)20 3657 5500. The Company's website is www.bwpreit.com.

The principal legislation under which the Company operates is the Companies Act 2006. The Company will not be regulated as a collective investment scheme by the FCA, nor will the Ordinary Shares be admitted to the Official List. The Ordinary Shares will be admitted to trading on IPSX Wholesale. The Company will be subject to the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the IPSX Rules.

The Company's accounting period ends on 30 September each year. The current accounting period will end on 30 September 2023.

The Company is domiciled in England and Wales and, as at the date of this Document, does not have any employees.

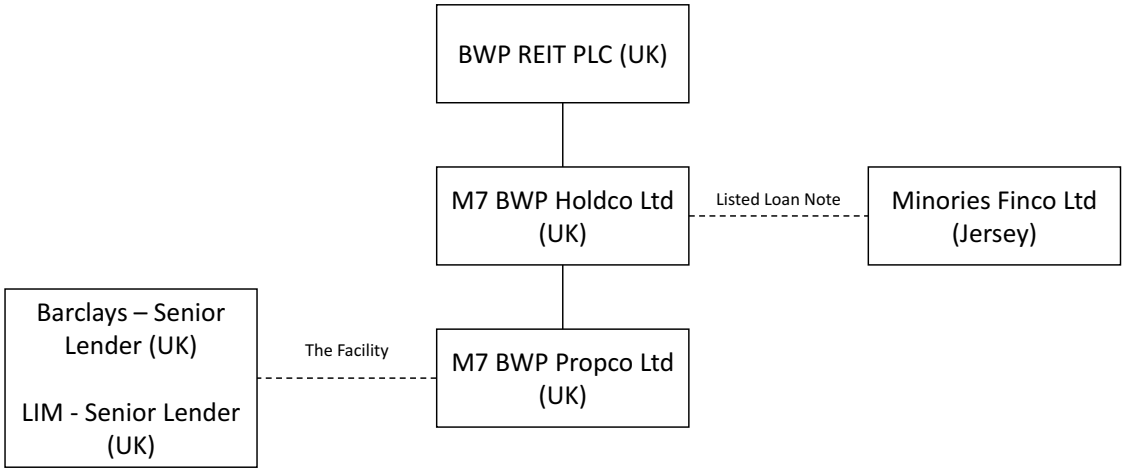
2.2 ***Group structure***

The Company is part of a group of companies as summarised in the following description and structure chart:

- the Company is currently owned, as a 100 per cent. subsidiary, by Lash Capital LLP, a limited liability partnership incorporated in England and Wales on 24 May 2013 under the Companies Act 2006 with registered number OC385411 ("**Lash Capital**") and which is owned by certain members of the senior M7 management;

- M7 BWP Holdco Limited ("**Holdco**"), was incorporated on 30 June 2020 in England and Wales under the Companies Act 2006 with registered number 12706840. Holdco operates as an intermediate holding company and is wholly owned by the Company. Holdco has issued the Holdco Loan Notes in the amount of £23 million loan to Minories Finco Ltd ("**Finco**") as part of the Loan Note Arrangements described in paragraph 4 of Part VI (T*he Acquisition*). Finco is a special purpose vehicle which sits outside the Group and has been incorporated for the sole purpose of issuing the Finco Loan Notes pursuant to these arrangements; and

- M7 BWP Propco Limited ("**Propco**"), was incorporated on 1 July 2020 in England and Wales with registered number 12711254. Propco operates as an intermediate holding company and is wholly owned by Holdco. Propco will acquire the Property as described in paragraph 1 and 2 of Part VI of this Document. Propco has entered into the Propco Shareholder Loan as borrower and will adopt the Facility on Admission as described in paragraph 3 of Part VI *(The Acquisition*).



On Admission, the Subscribers will become shareholders of the Company, and will in aggregate hold Ordinary Shares representing 99.9 per cent. of the issued share capital of the Company immediately following Admission. Please refer to paragraph 2.2 of this Part XI for further details.

2.3 ***AIFM and Asset Manager***

M7 Real Estate Financial Services Ltd is the Company's alternative investment fund manager and will cover potential professional liability risks resulting from its activities as an alternative investment fund manager by holding professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, in accordance with the AIFM Rules. The AIFM is a limited liability company incorporated in England and Wales on 17 January 2014 under the Companies Act 2006 with company number 8850690. The address of the registered office of the AIFM is 10 Queen Street Place, London EC4R 1AG and its telephone number is +44 (0) 20 3657 5500.

M7 Real Estate Ltd is the Company's asset manager. The Asset Manager is a limited liability company incorporated in England and Wales on 18 July 2013 under the Companies Act 2006 with company number 8614287. The address of the registered office of the Asset Manager is 10 Queen Street Place, London EC4R 1AG and its telephone number is +44 (0)20 3657 5500.

2.4 ***Depositary and Administrator***

Alter Domus Depositary Services (UK) Limited is the Company's depository. The Depository has been appointed to provide depositary services to the Company, which will include cash monitoring activities, safekeeping of the assets of the Company. The Depositary is authorised and regulated by the FCA to carry out such depositary services (firm reference number 605561). The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the custody and/or safekeeping of the assets of the Company subject to the satisfaction of certain requirements under the terms of the Depositary Agreement (the "**Delegation Requirements**"). If the law of a third country requires that certain Financial Instruments (as defined under the FCA Rules) be held in custody by a local entity and no local entity satisfies the Delegation Requirements, the Depositary may nonetheless appoint such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the Delegation Requirements, provided that the Company or the AIFM has instructed the Depositary in writing to appoint such local entity to provide custody of such Financial Instruments (as defined under the FCA Rules). Details of the Depositary Agreement are set out in paragraph 11.7 of this Part XII.

Alter Domus Fund Services (UK) Limited is the Company's administrator. The Administrator has been appointed to provide ongoing administration services including general fund administration services. The Administrator may delegate any obligations under the Administration Agreement to any of its affiliates without the prior written consent from the Company. The Administrator may not delegate any obligation under this Agreement to any other person without the prior written consent from the Company (such consent may not be unreasonably withheld or delayed). Details of the Administration Agreement are set out in paragraph 11.6 of this Part XII.

3. SHARE CAPITAL

3.1 ***Incorporation***

On incorporation, the Company issued 50,000 ordinary shares of 100 pence each to M7 which were paid up in cash as to one quarter of their nominal value. On 9 February 2022, all of those shares were transferred at nominal value by M7 to Lash Capital, payment for which was satisfied by Lash Capital undertaking to pay the unpaid nominal amount of such shares. Such payment is to be made by (or on behalf of) Lash Capital to the Company immediately prior to Admission.

3.2 ***30 June 2022 general meeting***

On 30 June 2022, at a general meeting of the Company:

- each ordinary share of 100 pence was sub-divided into 10 ordinary shares of 10 pence each;
- of the 500,000 ordinary shares of 10p each in issue immediately following the above sub-division of shares, 450,000 of those ordinary shares were converted into and re-designated as 450,000 deferred shares of 10 pence each with the rights set out in the Articles;
- the Directors were granted authority: (i) to allot Ordinary Shares up to an aggregate nominal amount of £3,500,000 in connection with the Issue and Admission; (ii) conditional on Admission, to allot Ordinary Shares up to an aggregate nominal amount of £1,168,333, or such lesser aggregate nominal amount as will represent one third of the Company's total issued share capital immediately following Admission; and (iii) pursuant to the authority referred to in (ii), to allot Ordinary Shares on a non-pre-emptive basis up to an aggregate nominal amount of £350,500 or such lesser aggregate nominal amount as will represent 10 per cent. of the Company's total issued share capital immediately following Admission (again, conditional on Admission occurring).

Conditional upon Admission, all of the deferred shares referred to above will be purchased by the Company for an aggregate amount of 1 pence out of the proceeds of the Issue.

3.3 ***Transfer to M7 Real Estate Mouseco Limited***

Prior to Admission the unpaid nominal amount on the 50,000 Ordinary Shares and 450,000 deferred shares referred to above in issue as at the date of this Document will be paid up by Lash Capital (or on its behalf) and the 50,000 Ordinary Shares will be purchased by M7 Real Estate Mouseco Limited from Lash Capital for £50,000.

3.4 ***Share capital***

Set out below is the issued ordinary share capital of the Company: (i) as at the date of this Document; and (ii) immediately following the Issue, all of which will be fully paid up:

	Ordinary Shares	
	Aggregate nominal value (£)	**Number**
(i) As at the date of this Document	5,000	50,000
(ii) Immediately following the Issue[(1)]	3,505,000	35,050,000

Note

1. All Ordinary Shares will be fully paid-up at Admission

4. SECURITIES BEING ADMITTED

4.1 The new Ordinary Shares to be issued pursuant to the Issue will be issued in British Pence Sterling and are expected to be issued on 16 November 2022.

4.2 The ISIN of the Ordinary Shares is GB00BQ1NFW69, the CFI Code is ESVUFR and the SEDOL number will be BQ1NFW6.

4.3 The Ordinary Shares will be in registered form and there will be no restrictions on transferability. They will be capable of being held in certificated form or in uncertificated form in CREST. The Company's register of members will be kept by Equiniti Limited, the operator of the CREST system and the Registrar.

4.4 The dividend and voting rights attaching to the Ordinary Shares are set out respectively in paragraphs 7.6 and 7.7 of this Part XI. The Ordinary Shares will have no right to share in the profits of the Company other than through a dividend, distribution or return of capital, further details of which are set out in paragraph 7.6 of this Part XI. Each Ordinary Share will be entitled on a *pari passu* basis with all other issued Ordinary Shares to share in any surplus on a liquidation of the Company. The Ordinary Shares will have no redemption or conversion rights.

4.5 Section 561 of the Companies Act 2006 gives the Shareholders rights of pre-emption in respect of allotments of securities which are or are able to be paid up in cash (other than by way of allotments to employees pursuant to an employee share scheme as defined under section 1166 of the Companies Act 2006). Subject to limited exceptions and to the extent authorised pursuant to the resolution of the shareholders of the Company referred to in paragraph 3.2 of this Part XI, unless Shareholders' approval is obtained in a general meeting of the Company, the Company must normally offer Ordinary Shares to be issued for cash to existing shareholders pro-rata to their shareholdings.

4.6 The net proceeds of the Issue receivable by the Company are expected to be £32.2 million. The total costs and expenses relating to the Issue and Admission are payable by the Company and are estimated to amount to approximately £2.8 million (excluding VAT).

4.7 Save in connection with the application for Admission, none of the Ordinary Shares have been admitted to dealings on any recognised exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.

4.8 Following Admission, 7,865,000 Ordinary Shares, representing 22.4 per cent. of the Company's issued Ordinary Share capital will be held in public hands (as defined in the IPSX Rules).

5. IPSX DEROGATIONS

5.1 The Company has obtained a derogation from Schedule One Rule 26 -29 of the IPSX Rules (which requires issuers to include audited historic financial information in their admission document) on the basis that the Company has not started operations and has no material assets or liabilities prior to Admission and that no financial statements have been prepared. In addition, historic financial information on the Seller has not been included, as the financial structure of the Seller was that of a limited partnership and the cost structure of the Company on an ongoing basis will be different. As a result please refer to the Part V (*Property Valuation Report)* for up to date information on current tenants and their terms as well as the current rental income and the Market Rent of the Property.

5.2 The Company has obtained a derogation from Rule 1 of the IPSX Rules (which requires issuers to own one or more real estate assets) on the basis that the Company will complete the Acquisition of the Property within two days post Admission.

5.3 The Company has obtained a derogation from Rule 2.13 of the IPSX Rules (which requires issuers to make a pre-admission announcement at least ten business days before the expected date of Admission). The Company will make a pre-admission announcement five days before the expected date of Admission.

5.4 The Company has obtained a derogation from Rule 1.26 of the IPSX Rules for Grey Cat Capital VIII LLP, M7 Fund Aggregator Fund LP (acting by its general partner M7 Aggregator Fund General Partner Limited) and M7 Real Estate Investment Partners V LP (including in respect of both Ordinary Shares, which it will hold directly on Admission and Ordinary Shares which will be held by BWP Holding 2 Limited in which it will have a beneficial interest), which together at Admission will in aggregate hold or be beneficially interested in, directly or indirectly, 10,948,500 Ordinary Shares which would otherwise require the Company to ensure such persons, being related parties, agree to a restricted period during which, without prior agreement of IPSX, they will not dispose of any interest in the Company's financial instruments for one year from the date of Admission. Accordingly, none of Grey Cat Capital VIII LLP, M7 Fund Aggregator Fund LP (acting by its general partner M7 Aggregator Fund General Partner Limited) nor M7 Real Estate Investment Partners V LP will enter into lock-in undertakings.

6. CORPORATE GOVERNANCE

The Board has considered the principles and recommendations of the 2019 AIC Code of Corporate Governance (the "**AIC Code**"). The Board intends to apply this code as it considers that reporting against the principles and recommendations of the AIC Code (which incorporates the UK Corporate Governance Code) (the "**UK Code**") will provide better information to Shareholders and is more appropriate for the Company and its Shareholders.

The AIC Code provides a framework of best practice for listed investment companies and addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to listed investment companies. The Company considers that given the nature of its business the AIC Code is more appropriate to the Company's business.

The Company expects to comply with the recommendations of the AIC Code with effect from Admission, except in respect of the provisions relating to:

Remuneration Committee

There will not be separate nomination, management engagement or remuneration committees, as the Board of the Company is comprised entirely of three independent non-executive directors. Nomination and remuneration matters will therefore be dealt with by the independent board of directors as a whole. This is consistent with the practice of other externally-managed listed REITs and in accordance with the AIC Code, which states that such committees are not required if in view of the size and make-up of the board it is unnecessarily burdensome to establish separate committees.

Senior Independent Director

The Company has deemed that it does not need to appoint a senior independent director but it has appointed an independent chair and two other independent directors. This provision is not deemed relevant to the position of the Company, being an externally managed real estate investment company, with an entirely non-executive board of directors.

The Financial Reporting Council has confirmed that member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code. This endorsement means that AIC member companies may make a statement that, by reporting against the AIC Code they are meeting their obligations under the UK Code and as such do not need to report further on issues contained in the UK Code which are irrelevant to them. As recommended under the AIC Code, the Directors will be subject to re-election on an annual basis.

In addition, the Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

In compliance with the FCA Handbook, the AIFM is also subject to the rules requiring the AIFM to treat all customers fairly. The AIFM has implemented a Treating Investors Fairly Policy, in which it sets out how it abides by the general principles of Article12 of AIFMD, with FCA Principle 6 of the FCA Handbook regarding the fair treatment of customers and with the FCA six consumer outcomes concerning fair treatment of customers as set out in the FCA Handbook.

7. ARTICLES

7.1 ***Objects***

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

7.2 ***Variation of rights***

Subject to the provisions of the Companies Act 2006 as amended and every other statute for the time being in force concerning companies and affecting the Company (the "**Statutes**"), if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an

extraordinary resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise) and may be so varied either whilst the Company is a going concern or during or in contemplation of a winding-up. At every such separate general meeting the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

7.3 ***Transfer of shares***

A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. A share in uncertificated form may be transferred by means of the relevant electronic system concerned. The Ordinary Shares are freely transferable although they are subject to the restrictions in the Articles described below.

In their absolute discretion, the Directors may refuse to register the transfer of a share in certificated form which is not fully paid, such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:

(A) is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(B) is in respect of only one class of share; and

(C) is not in favour of more than four transferees.

The Directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse to register the transfer under the CREST Regulations, provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the CREST Regulations send to the transferee notice of refusal.

No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any Benefit Plan Investor; (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to be registered or qualified under the US Investment Company Act and/or the US Investment Advisers Act of 1940 and/or the US Securities Act of 1933 and/or the US Exchange Act of 1934 and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the US Exchange Act of 1934; (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the US Code; or (v) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction (including the United Kingdom's International Tax Compliance Regulations 2015 (SI 2015/878)), or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such

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

7.4 ***Alteration of share capital***

The Company may by ordinary resolution:

(A) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;

(B) sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares; and

(C) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

7.5 ***Issue of shares***

Subject to the provisions of the Companies Act 2006 and without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or if the Company has not so determined, as the Directors may determine).

7.6 ***Dividends***

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the shareholders but no dividends shall exceed the amount recommended by the Directors. Subject to the provisions of the Act, the Directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that they are justified by the profits of the Company available for distribution. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid.

7.7 ***Voting rights***

Subject to any rights or restrictions attached to any shares, on a show of hands every shareholder present in person has one vote, every proxy present who has been duly appointed by a shareholder entitled to vote has one vote and every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to. On a poll every shareholder (whether present in person or by proxy or by corporate representative) has one vote for every share of which he is the holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

No shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

7.8 ***Distribution of assets on a winding-up***

If the Company is wound up, with the sanction of a special resolution and any other sanction required by law and subject to the Act, the liquidator may divide among the shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

7.9 ***Restrictions on rights: failure to respond to a section 793 notice***

If a shareholder, or any other person appearing to be interested in shares held by that shareholder, fails to provide the information requested in a notice given to him under section 793 of the Companies Act 2006 by the Company in relation to his interest in shares (the "**default shares**") within 28 days of the notice (or, where the default shares represent at least 0.25 per cent. of their class, 14 days of the notice), sanctions shall apply unless the Directors determine otherwise. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting or any separate meeting of the holders of any class or on any poll and, where the default shares represent at least 0.25 per cent. of their class (excluding treasury shares), the withholding of any dividend payable in respect of those shares and the restriction of the transfer of those shares (subject to certain exceptions).

7.10 ***Untraced shareholders***

Subject to various notice requirements, the Company may sell any of a Shareholder's shares if, during a period of 12 years, at least three cash dividends (either interim or final) on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant or other method of payment has been effected and no communication has been received by the Company from the shareholder or person concerned.

7.11 ***Appointment and retirement of Directors***

Unless the Company determines otherwise by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.

Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as, and is permitted by law to do so, to be a Director either to fill a vacancy or as an additional Director. The Directors may appoint a person who is willing to act, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. A person appointed as a Director by the other Directors is required to retire at the Company's next annual general meeting and shall then be eligible for reappointment.

Each Director shall retire from office at the third Annual General Meeting after the Annual General Meeting or General Meeting (as the case may be) at which he was previously appointed or re-elected. A retiring Director shall be eligible for re-election. A Director retiring at a meeting shall, if he is not re-elected at such meeting, retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire. Where a Director is (i) a non-executive director and has been in office for nine years or more; or (ii) a director, partner, other officer or employee of or professional advisor to the AIFM and/or the Asset Manager or any other company in the same group as the AIFM or the Asset Manager, he shall retire from office at every Annual General Meeting and shall be eligible for re-election.

7.12 ***Powers of Directors***

The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company.

Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

7.13 ***Borrowings***

The Board on behalf of the Company may exercise all the powers of the Company to borrow money, to indemnify, to guarantee and to mortgage or charge its undertaking property and uncalled capital and (subject to the provisions of the Statutes regarding authority to allot debentures convertible into shares) to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

7.14 ***Voting at board meetings***

No business shall be transacted at any meeting of the Directors unless a quorum is present and the quorum may be fixed by the Directors; unless so fixed at any other number the quorum shall be two. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum.

Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

7.15 ***Restrictions on voting***

Subject to any other provision of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest arises only because the case falls within certain limited categories specified in the Articles.

7.16 ***Directors' interests***

Subject to the provisions of the Companies Act 2006 and provided that the Director has disclosed to the other Directors the nature and extent of any material interest of his, a Director, notwithstanding his office, may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

7.17 ***Indemnity***

Subject to the provisions of the Act, the Company may indemnify any person who is a Director, secretary or other officer (other than an auditor) of the Company, against (a) any liability whether in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company or (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office; and purchase and maintain insurance for any person who is a Director, secretary, or other officer (other than an auditor) of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, secretary or officer.

7.18 ***General meetings***

In the case of the annual general meeting, twenty-one clear days' notice at the least shall be given to all the members and to the auditors. All other general meetings shall be convened by not less than fourteen clear days' notice to all those members and to the auditors.

No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a shareholder or a proxy for a shareholder or a duly authorised representative of a corporation which is a shareholder (including for this purpose two persons who are proxies or corporate representatives of the same shareholder), shall be a quorum.

A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Subject to the provisions of the Act, any corporation (other than the Company itself) which is a shareholder may, by resolution of its directors or other governing body, authorise such person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of shares.

Delivery of an appointment of proxy shall not preclude a shareholder from attending and voting at the meeting or at any adjournment of it.

Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are shareholders.

A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll may be demanded by the Chairman or by: (a) not less than two members having the right to vote at the meeting; or (b) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or (c) a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

8. DIRECTORS

8.1 The full names of the Directors and their functions are as set out below. The business address of each of the Directors is the Company's registered office, being C/O Alter Domus (UK) Limited, 10th floor, 30 St Mary Axe, London EC3A 8BF.

Name	Age	Position	Appointment date
Edmund Craston	57	Independent Non-Executive Chairman	10 October 2022
Andrea O'Keeffe	58	Independent Non-Executive Director	10 October 2022
Ian White	79	Independent Non-Executive Director	10 October 2022

Edmund Craston, Independent Non-Executive Chairman

Edmund has over 30 years' experience in real estate and investment banking, giving him in depth knowledge of both public and private capital markets and real estate investment.

From 2009 to 2018 he was the Managing Director of Rockspring Property Investment Managers LLP, a leading private European property investment management business with over EUR 8 billion of AUM. Following Rockspring's sale to PATRIZIA AG, a listed European property investment manager with over EUR 40 billion of AUM, he became a Senior Managing Director, Head of Fund Management and operational board member of PATRIZIA until 2021.

He has extensive experience of overseeing property investment decisions and funds through chairmanship and participation in investment committees and other fund governance committees. He also chaired Rockspring's ESG Committee.

Prior to 2009 in his investment banking career he was European Head of Real Estate Investment Banking at UBS Investment Bank and Lehman Brothers. At this time he was twice a member of the Management Board of the European Public Real Estate Association and was an active member of the industry wide lobbying group for the introduction of REITS in the UK. He currently acts as a consultant and advisor to various property enterprises including Jones Lang LaSalle and is a non-executive director of the Association of Real Estate Funds. He is also a Director of The Westminster Roman Catholic Diocese Trustee.

Andrea O'Keeffe, Independent Non-Executive Director

Andrea has over 25 years City experience including as a partner and director at Cazenove and subsequently as an executive director at JP Morgan until 2014.

She was head of the European Media research team at Cazenove following which she ran the European Corporate Broking team at JPMorgan and subsequently led the sales efforts for the top ranked Media and Business Services equities teams there.

More recently Andrea has co-founded two e-commerce start-ups, and has five years' experience working as an NED including as member of the finance committee for The Royal Academy of Arts, and Treasurer of The Friends of the Royal Academy of Arts.

Ian White, Independent Non-Executive Director

Ian is a Chartered Surveyor and Fellow of the Royal Institution of Chartered Surveyors. Ian has over 50 years in global commercial real estate, having been a partner in private practice, firstly with Richard Ellis and subsequently as a member of the Worldwide board of CBRE before retiring in 2000.

Since that date, Ian has held a number of non-executive appointments in both publicly listed and private property funds and is an independent member of the Investment Advisory boards of various funds managed by M7.

Ian was a Governor of Brighton College for over 35 years, the last 10 of which were as Vice chairman. Ian was elected Master of the Worshipful Company of Innholders in 2011/12.

8.2 As at 14 November 2022 neither the Directors nor their family nor their connected persons hold any shares or options or awards over shares in the Company.

8.3 During the period from incorporation of the Company to the date of this Document, the Directors have not acquired any shares in the Company and will not acquire any Ordinary Shares under the Issue. Therefore, none of the Directors will hold any Ordinary Shares immediately following Admission.

8.4 During the five years immediately prior to the date of this Document the Directors are or have been directors or partners or members of the administrative, management or supervisory bodies of the companies or partnerships listed below:

Director	Current directorships/partnerships	Former directorships/partnerships
Edmund Anthony Craston	The Association of Real Estate Funds SEIDS Westminster Roman Catholic Diocese Trustee (The)	Patrizia Europe Limited Patrizia GRB (General Partner) Limited Patrizia Limited Patrizia P.I.M. (Regulated) Limited Patrizia PIM Limited Patrizia Portuguese Property Partnership (General Partner Scotland) Limited Patrizia Portuguese Property Partnership (General Partner) Limited Patrizia Property Asset Management Patrizia Property Holdings Limited Patrizia Property Investment Managers LLP Patrizia Single Europe (General Partner) Limited Patrizia Spree (GP) Limited Patrizia Transeuropean Properties (General Partner) V Limited Patrizia UK Value SLP (Scotland) Limited Rockspring Single Client Fund (General Partner) Limited Rockspring UK Value (General Partner) Limited Transeuropean Properties (General Partner) IV Limited

Director	Current directorships/partnerships	Former directorships/partnerships
Edmund Anthony Craston (continued)		Transeuropean Properties (SLP) IV Limited Transeuropean Properties (SLP) V Limited
Andrea Jane Voiels O'Keeffe	Britten Close RTM Company Limited Friends of The Royal Academy (The) Vero Fabrics Limited Love A Taste Limited	–
Ian Jeremy White	–	–

In the past five years, Ian has been a non-executive member of a number of investment advisory boards or committees of funds administered by M7 in the UK and Europe.

8.5 As at the date of this Document, there are no loans or guarantees provided by the Company for the benefit of any Director. There are no potential conflicts of interest between any duties owed by the Directors to the Company and their private interests or other duties. For potential conflicts of interests in relation to the AIFM, the Asset Manager, and the M7 Group, please see paragraph 8 in Part III (*Information on the AIFM and the Asset Manager*).

8.6 During the five years immediately prior to the date of this Document no Director has:

a) any convictions in relation to indictable offences; or

b) been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any of his assets; or

c) been a director of any company which, while he was a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or

d) been a partner of any partnership which, while he was a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or

e) received any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or

f) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

9. DIRECTORS' LETTERS OF APPOINTMENT

9.1 Particulars of the Directors' current letters of appointment with the Company are set out below:

Director	Date of letter of appointment	Notice period from either party	Annual fee (£)	Benefits in kind
Edmund Craston	10 October 2022	One month	£30,000	N/A
Andrea O'Keeffe	10 October 2022	One month	£25,000	N/A
Ian White	10 October 2022	One month	£25,000	N/A

None of the above letters of appointment provide for any benefits upon termination.

10. MAJOR SHAREHOLDERS

10.1 Insofar as is known to the Company at the date of this Document, the Company anticipates that immediately following Admission, the following persons will have direct or indirect interests in three per cent. or more of the Company's issued ordinary share capital which will be notifiable under the Disclosure Guidance and Transparency Rules:

Shareholder	Direct or indirect holding	No. of Ordinary Shares immediately following Admission	Per cent. of the total issued share capital immediately following Admission
BWP Holding 1 Limited	Direct	2,300,000	6.56%
BWP Holding 2 Limited	Direct	2,888,500	8.24%
BWP Holding 3 Limited	Direct	3,499,999	9.99%
BWP Holding 4 Limited	Direct	2,500,001	7.13%
Alan Hill	Direct	1,250,000	3.57%
Clear Sky Holding Limited	Direct	3,450,000	9.84%
Grey Cat Capital VIII LLP	Direct	3,450,000	9.84%
M7 Real Estate Mouseco Ltd	Direct	3,000,000	8.56%
being members of the M7 Group and its affiliates			
M7 Aggregator Fund LP	Direct	5,000,000	14.27%
M7 SMA LP	Direct	3,496,500	9.97%
being funds advised by the M7 Group or its affiliates			

10.2 The Company and the Directors are not aware of any arrangements the operation of which may after Admission result in a change of control of the Company. All Shareholders have the same voting rights in respect of the share capital of the Company.

11. MATERIAL CONTRACTS

Set out below is a summary of contracts (other than contracts entered into in the ordinary course of business) entered into by any member of the Group (or which will bind any member of the Group from Admission) (i) within the two years preceding the date of this Document and which are or may be material to the Group; or (ii) which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Document.

11.1 ***Lead Adviser Agreement***

On 14 November 2022 the Company, the AIFM, the Asset Manager and the Directors entered into a lead adviser agreement (the "**Lead Adviser Agreement**") with WH Ireland pursuant to which WH Ireland was appointed as IPSX Lead Adviser and settlement agent in connection with the Issue and Admission. Pursuant to the terms and conditions of the Lead Adviser Agreement, WH Ireland has agreed, subject to certain conditions, to act as IPSX Lead Adviser to the Company in relation to Admission and to act as settlement agent in respect of certain Subscribers to the extent that settlement of any Ordinary Shares is required through the CREST system.

In consideration of WH Ireland's services under the Lead Adviser Agreement, the Company has agreed to pay a corporate finance fee of £200,000 to WH Ireland. The Company will also pay certain expenses of WH Ireland for the matters carried out under the Lead Adviser Agreement.

The Company, the Directors, the AIFM and the Asset Manager have given customary representations, warranties and undertakings to WH Ireland as to the accuracy of the information contained in this Document and other relevant documents, and in respect of other matters relating to the Company. The Company has also provided a customary twelve month lock-up undertaking to WH Ireland. In addition, the Company has given customary indemnities to WH Ireland and to certain indemnified persons connected with WH Ireland.

The obligations of WH Ireland under the Lead Adviser Agreement in relation to the Issue and Admission are subject to certain customary conditions including, amongst others, no breach of

warranty contained in the Lead Adviser Agreement which is material in the context of the Issue and Admission becoming effective not later than 9:00 a.m. on 16 November 2022.

If any of the conditions to the Lead Adviser Agreement are not satisfied (or waived by WH Ireland) by the required time and/or date, the Lead Adviser Agreement shall terminate, but only prior to Admission. In addition, WH Ireland may, prior to Admission, terminate the Lead Adviser Agreement in certain circumstances including if there has been a material adverse change in respect of the Company between the date of the Lead Adviser Agreement and Admission or the occurrence of certain other matters or force majeure-type events.

11.2 ***Bookbuild Agreement***

On 14 November 2022, the Company entered into a bookbuild agreement with the AIFM (the "**Bookbuild Agreement**"). Pursuant to the Bookbuild Agreement, the AIFM has been appointed to procure Subscribers for the new Ordinary Shares at the Issue Price and purchasers for the Finco Loan Notes issued by Finco as part of the Loan Note Arrangements (as described in further detail in paragraph 4 of Part VI (*The Acquisition*)). The AIFM has authority to delegate this function and will appoint one or more introducers (the "**Introducers**") who will in turn be responsible for identifying and introducing to the AIFM prospective subscribers for the new Ordinary Shares and purchasers for the Finco Loan Notes in particular jurisdictions pursuant to separate introduction agreements (each an "**Introduction Agreement**").

Under the Bookbuild Agreement, the Company has agreed to pay the AIFM a fee up to £1.25 million, as well as any costs, charges and expenses incurred by the AIFM in connection therewith (in each case together with any VAT payable thereon). Utilising the entirety of such fee, the AIFM will pay a fee to each Introducer of up to 3% of the amount subscribed for/purchased by each Subscriber it introduces and will also be entitled to pay fees to any other person that provides assistance with the bookbuild. After payment of such fees, the total net fees received by the AIFM pursuant to the Bookbuild Agreement will be zero.

The Bookbuild Agreement may be terminated by either the Company or the AIFM by notice in writing. In addition, if Admission has not occurred by 5.00 p.m. on 16 November 2022 (or such other time or date as the Company and the AIFM may agree), the Bookbuild Agreement shall automatically terminate.

11.3 ***AIFM Agreement***

The AIFM Agreement was entered into on 14 November 2022 between the Company, the AIFM, the Asset Manager, Holdco and Propco pursuant to which the Company has appointed the AIFM as the alternative investment fund manager of the Company. Pursuant to the AIFM Agreement, the AIFM will provide certain risk management, investment management and portfolio management services to the Company, in all cases subject to the overall supervision of the Board.

The AIFM is entitled to the AIFM Fee, as described in paragraph 7 of Part III *(Information on the AIFM and the Asset Manager*), together with reimbursement of reasonable out-of-pocket expenses, disbursements, fees and costs incurred by it on behalf of the Company or in relation to the Company's business. After each annual financial reporting period of the Company, the AIFM Fee will be reviewed and increased in line with any increase in the CPI. No performance fee will be payable to the AIFM. The AIFM shall bear its own day-to-day operating expenses and overheads. This includes, without limitation, compensation of its own professional staff, the cost of office space, office equipment, communications, utilities and other normal overhead expenses.

The AIFM may delegate or sub-contract any of its obligations provided that: (a) it has obtained the prior written consent of the Company (such consent not to be unreasonably withheld); (b) the AIFM may not delegate both portfolio management and risk management services to another person (and may not delegate to the extent so to do would render it a "letterbox entity" for the purposes of the AIFM Rules); and (c) notwithstanding any delegation, the AIFM will remain liable to the Company for the performance of services as provided by the AIFM Agreement. The AIFM is entitled to assign its rights under the AIFM Agreement to an affiliate without seeking the consent of the Company.

Following the expiry of the initial period of 10 years from the effective date of the AIFM Agreement, the AIFM Agreement shall automatically renew for successive five year terms, unless the Company or the AIFM provides six months' written notice of nonrenewal prior to the end of the then-current term (a "**nonrenewal notice**"), or unless otherwise terminated in accordance with the AIFM Agreement.

Notwithstanding the foregoing, the AIFM Agreement may be terminated: (i) with immediate effect on the occurrence of certain default events, including the gross negligence or insolvency of the AIFM; the AIFM's fraudulent, or wilful breach of the AIFM Agreement; the AIFM's material breach of the AIFM Agreement which has a material adverse effect on the Company and the AIFM has failed to remedy such breach (if capable of remedy) within 30 business days of the Company serving written notice requesting remedy; or the AIFM ceasing to be authorised by the FCA or ceasing to be able lawfully to continue to provide the services under the AIFM Agreement; (ii) if the Company terminates such appointment by giving not less than 12 months' written notice, provided that such notice may only be given after the second anniversary of the effective date of the AIFM Agreement; or (iii) from the giving of written notice to that effect from the AIFM or the Company to the other following either (a) the termination of the Asset Management Agreement; or (b) the disposal of all of the Property and the Permitted Temporary Investments (as defined in the AIFM Agreement). In the event that the AIFM Agreement is terminated in accordance with (ii) above, by way of a nonrenewal notice or in accordance with (iii)(a) above where the Asset Management Agreement has been terminated by Propco pursuant to a notice of non-renewal, the AIFM shall be paid an amount equal to six months' of the AIFM Fee as well as any costs or expenses incurred by the AIFM in taking reasonable steps to facilitate the handover of the services under the AIFM Agreement to any replacement alternative investment fund manager selected by the Company in accordance with the AIFM Agreement.

The liability of the AIFM or its Related Persons (as defined in the AIFM Agreement) incurred by reason of any action performed or omitted in connection with the activities of the Company or in dealing with third parties on behalf of the Company is expressly limited to fraud, wilful default or gross negligence of the AIFM, or any material breach of the AIFM Agreement by the AIFM, or a material breach of a FCA rule by the AIFM except to the extent the AIFM retains or is subject to a higher or greater degree of liability with respect to the Portfolio Management Services or Risk Management Services (both as defined in the AIFM Agreement) provided under the AIFM Agreement in accordance with the mandatory, non-derogable provisions of the AIFM Rules.

The Company has agreed to indemnify and hold harmless, to the maximum extent permitted by law, the AIFM and the Related Persons against any liabilities, claims and related expenses (including attorneys' fees) incurred by reason of any action performed or omitted in connection with the services under the AIFM Agreement to the Company, provided that such action or decision not to act does not constitute fraud, wilful default or gross negligence of the AIFM, or any material breach of the AIFM Agreement by the AIFM, or a material breach of an FCA rule by the AIFM.

The AIFM Agreement is governed by the laws of England and Wales.

11.4 ***Asset Management Agreement***

The Asset Management Agreement was entered into on 14 November 2022 between the Company, the Asset Manager, the AIFM, Holdco and Propco pursuant to which Propco has appointed the Asset Manager as its asset manager. The Asset Manager will be responsible for the day-to-day management of the Property, and will provide certain administration services to Propco, in each case subject to the overall supervision of the Board.

The Asset Manager is entitled to the Asset Management Fee as described in paragraph 7 of Part III (*Information on the AIFM and the Asset Manager*), together with reimbursement of reasonable out-of-pocket expenses incurred by it in the performance of its duties together with reimbursement of reasonable out-of-pocket expenses, disbursements, fees and costs incurred by it on behalf of the Company and/or the BWP Companies (as defined in the Asset Management Agreement) or in relation to their business. No performance fee will be payable to the Asset Manager. The Asset Manager shall bear its own day-to-day operating expenses and overheads.

This includes, without limitation, compensation of its own professional staff, the cost of office space, office equipment, communications, utilities and other normal overhead expenses.

The Asset Manager may not sub-contract or delegate its duties or obligations under the Asset Management Agreement without the prior written consent of Propco, such consent not to be unreasonably withheld if to another member of the Asset Manager's group, or to a third party if it has received the prior written consent of Propco, which consent Propco may in its absolute discretion withhold. Subject to the receipt of such prior written consent, the Asset Manager may delegate or sub-contract any of the services or any of its duties and obligations under the Asset Management Agreement, in whole or in part, provided that the Asset Manager shall act faithfully and diligently and exercise the level of professional skill, care and diligence and exercise the level of professional skill, care and diligence as would be expect of a competent, prudent, qualified and experienced professional property manager in the selection, appointment and monitoring of any delegate. Except in the case of any delegate which is an affiliate of the Asset Manager, the Asset Manager shall not be liable to Propco for any losses arising from the acts or omission of a delegate appointed in accordance with the Asset Management Agreement. The Asset Manager is entitled to assign its rights under the Asset Management Agreement to an affiliate without the consent of any party thereto.

Following the expiry of the initial period of 10 years from the effective date of the Asset Management Agreement, the Asset Management Agreement shall automatically renew for successive five year terms, unless Propco or the Asset Manager provides six months' written notice of nonrenewal prior to the end of the then-current term, or unless otherwise terminated in accordance with the Asset Management Agreement.

Notwithstanding the foregoing, the Asset Management Agreement may be terminated: (i) with immediate effect on the occurrence of certain events, including the gross negligence or insolvency of the Asset Manager; the Asset Manager's fraudulent or wilful breach of the Asset Management Agreement; the Asset Manager's material breach of the Asset Management Agreement which has a material adverse effect on the Holdco or Propco and the Asset Manager has failed to remedy such breach (if capable of remedy) within 30 business days from the service of written notice by Holdco or Propco requesting remedy; or the Asset Manager ceasing to be able lawfully to continue to provide the services under the Asset Management Agreement; (ii) from the giving of written notice to that effect from the Asset Manager, the Company or Propco to the other parties following the termination of the AIFM Agreement. In the event that the Asset Management Agreement is terminated by way of: (ii) above (by the Company pursuant to a nonrenewal notice of the AIFM Agreement or by the Company as described in sub-paragraph (ii) of paragraph 11.3 above) or a nonrenewal notice, the Asset Manager shall be paid: (x) an amount equal to six months' of the Asset Management Fee, provided in the case of (ii) that an equivalent fee is payable to the AIFM under the terms of the AIFM Agreement, as if the date of termination were a Quarter Day (as defined in the Asset Management Agreement), and (y) any costs or expenses incurred by the Asset Manager in taking reasonable steps to facilitate the handover of the services under the Asset Management Agreement to any replacement asset manager selected by the Company in accordance with the Asset Management Agreement.

The liability of the Asset Manager or any of its Related Persons (as defined in the Asset Management Agreement) incurred by reason of any action performed or omitted in connection with the activities of Propco or in dealing with third parties on behalf of Propco is expressly limited to fraud, wilful default or gross negligence of the Asset Manager, or any material breach of the Asset Management Agreement by the Asset Manager, except to the extent the Asset Manager retains or is subject to a higher or greater degree of liability with respect to the services provided thereunder in accordance with the mandatory, non-derogable provisions of the AIFM Rules. For the avoidance of doubt, to the extent legally permitted the maximum liability of the Asset Manager to the other parties to the Asset Management Agreement in relation to the services thereunder and the Asset Management Agreement shall be limited to an amount equal to the aggregate of the Asset Management Fees payable in respect of the preceding four Quarter Days (as defined in the Asset Management Agreement).

The Company has agreed to indemnify and hold harmless, to the maximum extent permitted by law, the Asset Manager and its Related Persons against any liabilities, claims and related expenses (including attorneys' fees) incurred by reason of any action performed or omitted in

connection with the provision of the services under the Asset Management Agreement, provided that such action or decision not to act does not constitute fraud, wilful default or gross negligence of the Asset Manager, or any material breach of the Asset Management Agreement by the Asset Manager.

The Asset Management Agreement is governed by the laws of England and Wales.

11.5 ***Property Management Side Agreement***

Upon completion of the purchase of the Freehold Titles, Propco will appoint a property manager to provide property management services in respect of the Property. In the interim, the Property Manager will provide services pursuant to its existing property management agreement with the Seller (the "**Property Management Agreement**"). Propco will have delegated authority by way of a side agreement made between the Seller, Propco and the Property Manager (the "**Property Management Side Agreement**") on completion to give instructions to the Property Manager in respect of the commercial areas of Property in order to execute its asset management strategy. Pursuant to the Property Management Side Agreement, the Seller retains responsibility for delivering instructions in relation to the residential areas.

Pursuant to the Property Management Side Agreement, the Property Manager will be required to maintain at its own cost professional indemnity insurance of £5 million in aggregate and the Property Manager's total aggregate liability in respect of all losses arising out of or in connection with the Property Management Side Agreement is limited to an amount equal to three years fees payable under the Property Management Agreement.

The Property Manager has agreed to provide or procure services to deal with the day to day running of the Property. These services include financial and record management, client reporting, assisting with any relevant acquisitions, sale or new lettings, management of relations with any occupiers of the Property, inspecting the condition of the Property, providing on-site staff, administering the service charge in compliance with legislation, liaising with the Seller's insurance broker, and procuring and managing facilities management services for the Property.

Under the Property Management Agreement, the Property Manager is entitled to a fee of £100,000 per annum (increasing annually in accordance with RPI) together with 10 per cent. of reasonable expenditure related to the on-site staff.

The Property Management Agreement may be terminated:

A. by Propco or the Property Manager on six months' written notice to the other at any time;

B. by either party by giving notice in the event of material breach and in the case of the Property Manager, it fails to remedy the breach within 28 days and in the case of the Propco or the Seller it fails to remedy the breach within a reasonable period of time;

C. by either party giving written notice to the other party if the other party becomes insolvent; and

D. the Seller sells the Property or its interest in the Property.

Under the Property Management Side Agreement, Propco and the Seller have agreed to indemnify and keep fully indemnified the Property Manager from and against any and all third-party claims, demands, proceedings, damages, losses, costs and expenses which the Property Manager suffers as a result of the provision of the services and any breach of the Property Management Side Agreement by Propco and/or the Seller.

The Property Management Side Agreement is governed by the laws of England and Wales.

11.6 ***Administration Agreement***

Alter Domus Fund Services (UK) Limited has been appointed as Administrator to the Company for the purposes of the AIFM Rules pursuant to an agreement between the Administrator, the Company and the AIFM dated 14 November 2022 (the "**Administration Agreement**").

The Administrator will be entitled to range of fees under the Administration Agreement which shall be variable based on the actual services to be provided during any period subject to a minimum fee of £54,000 per annum (excluding VAT). In addition, the Administrator shall be entitled to

receive its reasonable and documented out-of-pocket expenses incurred by it in the performance of the services pursuant to the Administration Agreement, and such other costs and expenses as may be agreed between the parties from time to time.

The Administrator shall perform its duties under the Administration Agreement to the best of its ability and knowledge and with the degree of care and diligence customarily exercised by professional operators providing the services under the Administration Agreement.

The Administrator may delegate any obligations under the Administration Agreement to any of its affiliates without the prior written consent from the Company. The Administrator may not delegate any obligation under the Administration Agreement to any other person without the prior written consent from the Company (such consent may not be unreasonably withheld or delayed). The Administrator shall remain at all times liable for the acts and omissions of any person to whom obligations are delegated pursuant to the Administration Agreement.

The Administration Agreement shall continue until terminated by either the Administrator, the AIFM or the Company. The Administrator, the AIFM or the Company may terminate the Administration Agreement: (i) at any time, without cause or liability, by giving not less than three months' notice in writing to the other parties; (ii) immediately on written notice where: (a) another party commits a material breach, as set out in the Administration Agreement, which is not capable of remedy or, if it is capable of remedy, is not remedied within 28 days following notice of the same; (b) another party undergoes an Insolvency Event (as defined in the Administration Agreement); (c) another party ceases to be authorised and regulated by an applicable regulator to carry out its respective regulated activities (where applicable); (d) another party commits gross negligence, wilful default, fraud, material breach of applicable laws and regulations or the FCA Rules or fails to act with reasonable care and diligence with regards to its obligations under the Administration Agreement; or (e) any representations and/or warranties provided by a party become false or inaccurate. Where the continued performance of the services under the Administration Agreement becomes unlawful, any party may terminate the Administration Agreement with immediate effect by notice in writing to the other parties. Upon termination of the Administration Agreement, the Administrator shall be entitled to receive all fees and other expenses accrued or incurred up to the date of such termination and the Company shall procure the reimbursement to the Administrator of its reasonable costs, expenses and disbursements in accordance with the Administration Agreement.

In respect of any liability arising out of the Administrator's obligations under the Administration Agreement, the Administrator shall have no liability towards the Company except on account of gross negligence, wilful default, fraud, material breach of the Administration Agreement, applicable laws and regulations or the FCA Rules or failure to act with reasonable care and diligence of the Administrator or its officers, directors and employees and/or agents as may be appointed from time to time by the Administrator.

The Company shall indemnify and hold harmless the Administrator and its officers, directors, employees and/or duly appointed agents against all liabilities, costs, expenses, damages and losses (excluding any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by the Administrator directly arising out of or in connection with the fact that the Administrator has acted pursuant to the Administration Agreement or in accordance with any Proper Instruction (as defined in the Administration Agreement) where required, except if such costs, damages, liabilities, claims and expenses arise from gross negligence or wilful default or fraud or material breach of the Administration Agreement, applicable laws and regulations or the FCA Rules or failure to act with reasonable care and diligence of the Administrator or its officers, directors and employees and/or agents as may be appointed from time to time by the Administrator and for which the Administrator shall be liable in accordance with the Administration Agreement and the applicable laws.

The Administrator shall indemnify and hold harmless the Company against all liabilities, costs, expenses, damages and losses (excluding any indirect, special or consequential damages or losses, loss of profit or loss of reputation) and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses, suffered or

incurred by the Company directly resulting or arising from the gross negligence, wilful breach or default, fraud, material breach or failure to act with reasonable care and diligence, breach of the Administration Agreement, applicable laws and regulations or the FCA Rules on the part of the Administrator or its officers, directors, employees and/or agents as may be appointed from time to time by the Administrator and for whose actions the Administrator shall be liable in accordance with the Administration Agreement and the applicable laws.

The Administration Agreement is governed by and construed in accordance with English law.

11.7 ***Depositary Agreement***

Alter Domus Depositary Services (UK) Limited has been appointed as Depositary to the Company for the purposes of the AIFM Rules pursuant to an agreement between the Depositary, the Company and the AIFM dated 14 November 2022 (the "**Depositary Agreement**").

The Depositary will be entitled to an annual fee of £32,000 per annum (excluding VAT) payable quarterly in arrears, as well as an initial set up fee of £5,000. In addition, the Depositary shall be entitled to receive its reasonable and documented out-of-pocket expenses incurred by it in the performances of the services under the Depositary Agreement, and such other costs and expenses as may be agreed between the parties to the Depositary Agreement from time to time.

The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the custody and/or safekeeping of the assets of the Company subject to the satisfaction of certain requirements under the terms of the Depositary Agreement including but not limited to: (a) the Depositary may only appoint a delegate that is not an affiliate of the Depository with the written consent of the AIFM; (b) a delegate shall not be appointed with the intention of avoiding the requirements of the AIFM Rules; (c) the Depositary can demonstrate there is an objective reason for the appointment; (d) the Depositary has exercised all due skill, care and diligence in the selection and the appointment of any delegate and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any Delegate and of the arrangements of the delegate in respect of the matters it is appointed to carry on; and (e) the Depositary ensures that the delegate meets certain specified conditions at all times during the appointment (the "**Delegation Requirements**"). If the law of a third country requires that certain Financial Instruments (as defined under the Depositary Agreement) be held in custody by a local entity and no local entity satisfies the Delegation Requirements, the Depositary may nonetheless appoint such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the Delegation Requirements, provided that the investors have been informed of the situation and the circumstances justifying such appointment, prior to their appointment, and the Company or the AIFM has instructed the Depositary in writing to appoint such local entity to provide custody of such Financial Instruments. The appointment of a third party by the Depositary as its delegate in accordance with the Depositary Agreement does not affect the liability of the Depositary to the AIFM and/or the Company except if the Depositary has discharged itself of liability by way of a special agreement between the Depositary, the relevant delegate, and with the AIFM and/or the Company, in accordance with the requirements of the AIFM Rules.

The Depositary Agreement shall continue until terminated by the Depositary, the AIFM or the Company in accordance with the Depositary Agreement. The Administrator, the AIFM or the Company may terminate the Depositary Agreement: (i) at any time, without cause or liability, by giving not less than three months' notice in writing to the other parties; (ii) immediately on written notice where: (a) another party commits a material breach, as set out in the Depositary Agreement, which is not capable of remedy or, if it is capable of remedy, is not remedied within 28 days following notice of the same; (b) another party undergoes an Insolvency Event (as defined in the Depositary Agreement); (c) either the AIFM or the Depositary ceases to be authorised and regulated by the FCA (or such other regulator as may be applicable) to carry out its respective regulated activities; (d) any party's warranties become false or inaccurate; or (e) the AIFM ceases to be the AIFM of the Company. The Depositary may also terminate the Depositary Agreement if a Relevant Matter (as defined under the Depositary Agreement) is not resolved via the escalation procedure as set out in the Depositary Agreement.

Where in the sole opinion of the Depositary the circumstances surrounding the AIFM's operations (including but not limited to any breaches or potential breaches by the AIFM of any applicable law) render the continued provision of the Services by the Depositary impracticable or unlawful, the Depositary may terminate the Depositary Agreement with immediate effect by notice in writing to the AIFM.

Where Applicable Law (as defined in the Depositary Agreement) and the AIFM Rules require the AIFM to ensure that a depositary is appointed for the Company, the Depositary's appointment may not be terminated except upon the appointment of a replacement depositary.

In respect of any liability arising out of the Depositary's obligations under the Depositary Agreement, the Depositary shall have no liability to the Company or the AIFM except: (a) on account of gross negligence, wilful default or fraud, material breach of the Depositary Agreement; and (b) to the extent that any such limitation or exclusion would limit or exclude any obligation or liability under the AIFM Rules.

The Company agrees that it will indemnify and hold harmless the Depositary and its officers, directors, employees and/or duly appointed agents against any and all costs, liabilities, claims and expenses suffered or incurred by the Depositary directly arising out of or in connection with the fact that the Depositary has acted pursuant to the Depositary Agreement or in accordance with any instruction where required, except if such costs, damages, liabilities, claims and expenses arise from gross negligence or wilful default or fraud or material breach of the Depositary Agreement, of the Depositary or its officers, directors and employees and/or agents as may be appointed from time to time by the Depositary and for which the Depositary shall be liable in accordance with Applicable Laws.

The Depositary Agreement and any dispute or claim arising out thereof or in connection therewith shall be governed by the law of England and Wales.

11.8 ***Sale and Purchase Agreement***

Propco, as purchaser and the Seller entered into a conditional sale and purchase agreement dated 22 April 2022 (the "**SPA**") and which will be varied immediately prior to Completion via the General Undertaking pursuant to which Propco is to acquire the Property by way of the grant of the Commercial Long Lease to Propco by the Seller for the purchase price of approximately £63 million subject to the satisfaction of various conditions, governed by the General Undertaking including Admission and novation of the Facility. Some additional contingent consideration may be due to the Seller should the application to the Building Safety Fund be successful. A 20 per cent. share of the VAT saving made as a result of the Seller's application to zero rate the Cladding Works will be due to the Seller. Initially this Acquisition is to be by way of a grant of a 999 year lease of the internal commercial areas of the Property (including the commercial common parts and the internal structural parts). Pursuant to an option agreement to be entered into on Completion, Propco will also be granted a call option to acquire the Freehold Titles in the future for £1.

A deposit of £6.3 million was paid on exchange which is to be returned to Propco in the event that the conditions (including Admission) are not satisfied. Part of the net proceeds of the Issue will be used to discharge the stamp duty land tax payable to HMRC in relation to the Acquisition.

The Property is currently charged to Barclays, with mezzanine financing provided by LIM. The intention is that on Completion, the loan facility comprising the mezzanine financing will be amended to repay and remove LIM as a mezzanine funder (however, LIM will accede as a new senior funder alongside Barclays). The Facility will continue with Propco as borrower with security being granted in favour of Barclays and LIM as new lenders.

There is a further charge in favour of LCC relating to sums paid by LCC in relation to the historic wind issues at the Property. LCC will be repaid the sum of approximately £1.2 million (including interest) by the Seller prior to completion of the Acquisition of the Property and the charge in favour of LCC will be released.

The repayment and Completion mechanics are governed by way of the General Undertaking.

11.9 ***Facility with Barclays and LaSalle Investment Management***

A summary of the Facility agreement with Barclays and funds managed by LaSalle Investment Management is set out in paragraph 3 of Part VI (*The Acquisition*).

11.10 ***Loan Note Arrangements***

Propco has borrowed (indirectly from third party investors) £23 million for a term of five years (expiring on 19 April 2027) with an interest rate of 10 per cent. per annum, payable quarterly in arrears, pursuant to the Loan Note Arrangements. For details of the Loan Note Arrangements, please see paragraph 4 of Part VI (*The Acquisition*).

11.11 ***Development Funding Agreement and ancillary documentation***

On completion of the Acquisition, a conditional development funding agreement and ancillary documentation (the "**DFA**") will be entered into between Propco, the Seller and Marick. The DFA obliges the Seller to procure the appointment of the Building Contractor and the remainder of the professional team and imposes development obligations on the Seller in relation to the carrying out and completion of the Fire Safety Works by such professional team (including the remediation of any defects during the defects liability period under the Cladding Contract). Under the DFA, Propco commits to fund the costs of the Fire Safety Works following certification of each payment by the employer's agent pursuant to the Cladding Contract. Marick will provide developer manager services in relation to the Fire Safety Works pursuant to an appointment with the Seller. Cost overruns in relation to the Fire Safety Works are for the account of Propco and not the Seller.

Pursuant to the terms of the DFA, the Seller is to:

a) progress its application to the Building Safety Fund, and is to be responsible for conducting any appeal against an adverse determination by the Building Safety Fund reasonably approved by Propco; and

b) progress its application to HMRC in relation to the zero rating of the Fire Safety Works (and it is agreed that the Seller will retain 20 per cent. of any reimbursement of VAT received from HMRC). HMRC have indicated early willingness to permit the zero rating of the Fire Safety Works subject to the Seller remaining as freeholder of the Property and itself entering into the building contract for the works.

Marick is to provide a warranty that the Seller will not incur any liabilities other than those contemplated at the time of completion of the Acquisition and those flowing from the Fire Safety Works.

An event of default in relation to the Seller under the DFA or deed of priority (to which the Seller is party) has the ability to trigger an event of default for Propco pursuant to the Facility. However, a grace period has been agreed with the lenders under the Facility to enable Propco to exercise its option to purchase the Freehold Titles in such circumstances (see paragraph 11.15 of Part XI below for further details) and step into the Cladding Contract and ancillary appointments to take forward the Fire Safety Works. The ability to step into the Cladding Contract is a right under the DFA if an event of default is occurring under the DFA (however, the ability to step into the Cladding Contract will be subject to any consent required from the lenders under the deed of priority).

The Cladding Contract which is to be entered into by the Seller (and for which Propco will be responsible for funding) will not be a fixed price contract. This means that the risk of cost overruns and higher inflation will sit with Propco rather than the Building Contractor in exchange for a commensurately lower contract price. M7 believe that the lower price being offered by Clearline offsets the risk of the potential inflationary price increases. The proposed defects retention sum under the contract is 5 per cent. of the contract price (prior to practical completion dropping to 2.5 per cent. for the defects liability period). For more detail please see the risk factor headed "*Inflationary pressures could result in the Fire Safety Works being more expensive and contractor insolvency in relation to the Fire Safety Works could result in increased costs to the Company and an extended timeline for the Fire Safety Works*".

Propco is permitted to assign the DFA and related contracts at any time to any purchaser of the Commercial Long Lease and the Option Agreement without the Seller's consent. Should Propco wish to sell the Commercial Long Lease and Option Agreement to a third party purchaser and retain the DFA and related contracts (and therefore the various development funding obligations contained therein), Propco must obtain the Seller's consent to such arrangement (such consent not to be unreasonably withheld or delayed). It has been agreed that it shall not be reasonable for the Seller to withhold consent where Propco can demonstrate to the Seller's reasonable satisfaction that it will retain sufficient funds to comply with its outstanding liabilities in the DFA and related contracts.

11.12 ***Commercial Long Lease***

Completion of the Acquisition, will be effected by way of the Commercial Long Lease which will be granted by Seller to Propco. This lease is being granted to leave the freehold with the Seller and thereby give the Seller the legal standing it requires to progress its application in relation to the Cladding Works to the Building Safety Fund. The Commercial Long Lease grants to the Seller a demise including only the internal commercial areas of the Property (including the commercial common parts (and some common parts which are shared with the residential tenant but are predominately used for the commercial areas of the Property) and internal structural parts). The Commercial Long Lease is granted with a nominal rent but with a premium (being the purchase price for the Property).

The Commercial Long Lease grants various rights to Propco, including connection to conduits and plant on the Seller's retained property, installing equipment on the retained property, entry onto the retained property for various purposes, support and shelter from the retained property, to affix items to the external envelope of the demise, to maintain and clean the external envelope of the demise, to access the retained parts for the purpose of carrying out the Sprinkler Works, all rights granted to the tenants under the commercial leases and all rights reserved to the landlord under the residential headlease.

Pursuant to the Commercial Long Lease, Propco will have the right to collect the rents, service charges and insurance rent from the commercial tenants. Propco is responsible for paying the proportion of the premium attributable to the demise to the Seller (regardless of recovery from the commercial tenants) who will insure the Property during the works period. The service charge will be collected by the Property Manager and Propco will have delegated authority to issue instructions to the Property Manager pursuant to the Property Management Side Agreement in order to enable it to execute its asset management strategy for the commercial areas of the Property (including the modernisation works).

If the Property is damaged or destroyed by an insured risk then the Seller will use the proceeds of the insurance to reinstate. In the event that reinstatement is impossible then the insurance proceeds will be split between Propco and the Seller in proportion to the value of the residential and commercial premises, respectively.

There are no service charge provisions in the Commercial Long Lease. In practice Propco will be responsible for providing the services to all of the commercial tenants in the Property. Despite the external envelope of the Property being excluded from the demise, Propco will be responsible for maintenance of the external envelope of the commercial parts of the Property and has a right to do this in the Commercial Long Lease. The Seller is under no obligation to Propco to maintain the external envelope of the commercial parts of the Property.

The Commercial Long Lease will contain minimal tenant's covenants as would be expected for a lease of this nature (i.e. a virtual freehold). The only tenant covenants are not to put the landlord in breach of any legal obligations relating to the premises and to pay the sums incurred by the landlord pursuant to the baffles maintenance agreement referred to in paragraph 11.16 below.

The Commercial Long Lease contains various covenants on the part of the Seller, including not to deal with the Freehold Titles, to comply with its obligations under the residential headlease and (at Propco's cost) enforce the obligations of the tenant pursuant to such lease, to procure that the Fire Safety Works are carried out and completed in accordance with standard development obligations, to comply with legal obligations relating to the parts of the Freehold Titles not demised in the Commercial Long Lease and, at Propco's cost, to take such actions as Propco

may reasonably require in relation to the Freehold Titles (except those which are to the detriment of the Seller).

There are no rights of forfeiture pursuant to the lease and no rights to terminate the lease by either party.

The Commercial Long Lease is to be surrendered when the freehold is transferred to Propco pursuant to the Option Agreement.

11.13 ***Option Agreement***

The Option Agreement is to be made between the Seller and Propco and grants Propco an option to call for the transfer of the Freehold Titles for £1.

The Freehold Titles will be transferred to Propco by the Seller after the last to happen of the following events:

a. the final defects certificate being issued in accordance with the Cladding Contract;

b. the final account pursuant to the Cladding Contract has been agreed or determined with the Building Contractor; and either:

   i. Propco has received the monies from the Building Safety Fund; or

   ii. the Seller has received confirmation from the Building Safety Fund that its appeal has been unsuccessful; or

   iii. following a decision notice confirming that the application to the Building Safety Fund has not been successful, Propco has confirmed to the Seller (acting reasonably) that no appeal should be made.

Propco is able to waive the conditions to the exercise of the option set out at (a) and (b) above.

Propco will also be able to call for the transfer of the Freehold Titles if there is a continuing event of default pursuant to the DFA (e.g. insolvency event) in relation to the Seller.

During the life of the Commercial Long Lease, Propco will have a charge over the Seller's Freehold Titles. This charge will rank second in priority to that of Barclays but would give Propco recourse to the Freehold Titles in an enforcement situation (subject to the terms of the priority deed with the bank).

Upon completion of the transfer of the Freehold Titles, the Seller will have no further interest in the Property.

11.14 ***Sectional Agreements***

The Seller entered into a sectional agreement with Leeds City Council, which amongst other things, obliged the Seller to carry out works to install the Wind Scheme and carry out various highways works.

Under this agreement any current owner of the Property is (and therefore the Company will be from completion of the Acquisition) obliged to comply with the following ongoing and outstanding obligations:

- An ongoing maintenance and monitoring obligation in relation to the wind amelioration measures. The Seller has entered into two contracts in relation to the ongoing maintenance and monitoring obligations. The maintenance contract is for a term of six year-term, expiring in June 2025. This agreement may be extended up to a further six years if agreed between the parties. This contract will be assigned to Propco upon transfer of the Freehold Titles following exercise of the option. The cost of ongoing maintenance of the Wind Scheme (approximately £120,000 NPV for the life time of the wind amelioration measures) is not recoverable through the service charge for the Property. The costs of the monitoring contract is being put through the service charge. This has been the case for two service charge years now and there have not been any complaints from the tenants.

- An indemnity to Leeds City Council in relation to any costs, expenses and claims arising out of or in connection with this agreement (including any future road closures), the works carried out under it and/or the Wind Scheme at the Property and in, under or over the highway.
- In the event of a breach of the terms of this agreement Leeds City Council may terminate the agreement and the owner of the Property at that time will have to remove the Wind Scheme in accordance with Leeds City Council's requirements. Leeds City Council will also have a right to require the removal of the whole or parts of the Wind Scheme in the event that (i) a nuisance can only be abated effectively by the removal of all or part of the Wind Scheme and (ii) such removal will not cause a further or continuing nuisance of equal or greater severity.

12. AIFM RULES DISCLOSURES

The Company is an AIF for the purposes of the AIFM Rules and has appointed M7 Real Estate Financial Services Limited as its AIFM. This Document contains, to the extent applicable, the information required by Article 23 of the AIFMD to be made available to investors before they invest in the Company. Any material changes in this information after the date of this Document will be notified separately to potential investors. The table below has been included to indicate to investors the relevant parts of this Document which contain this information.

This paragraph, when read together with the other parts of this Document, is intended by the AIFM to satisfy the disclosure requirements specified in Article 23 AIFMD (as implemented in the AIFM Rules) in respect of the Company. By subscribing for Ordinary Shares, prospective investors are deemed to have confirmed that this information has been made available to them prior to their investment in the Company, in accordance with the AIFM Rules.

The AIFM shall inform investors of any material changes to the information contained in this paragraph in accordance with the AIFM Rules. The latest paragraph of this section is available for inspection upon request to the AIFM. Investors who are making additional investments in the Company (by subscribing for additional Ordinary Shares or otherwise) should ensure that they obtain and review the latest version of this paragraph prior to making such additional investments.

Further information is available from the AIFM at:

M7 Real Estate Financial Services Limited

The Monument Building, 11 Monument Street, London, EC3R 8AF

Attention: Allan Green

Email: Allan.Green@m7re.eu

AIFMD REFERENCE		**INFORMATION OR CROSS REFERENCE**
Art. 23(1)(a) & (b)	Investment Strategy and Policy	
1.	Description of the investment strategy and objectives of the Company	Please refer to paragraphs 1, 6, 9, 12 and 17 in Part I (*Information on the Company and the Property*).
2.	A description of the types of assets in which the Company may invest, the techniques it may employ and all associated risks.	Please refer to paragraph 1, 2 and 17 in Part I (*Information on the Company and the Property*). Please refer to Part II (*Risk Factors)*.
3.	Information on where any master AIF is established.	N/A

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
4.	Description of any applicable investment restrictions.	The Company will invest solely in the Property and any certain temporary permitted investments, which will be used for cash management and related purposes.
5.	A description of the procedures by which the Company may change its investment strategy or investment policy or both.	No material change will be made to the investment policy and investment restrictions without the approval of Shareholders by ordinary resolution. Any change to the investment policy or investment restrictions which does not amount to a material change to the investment policy may be made by the Company without the approval of Shareholders.

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
Art. 23 (1) (a)	Leverage	
6.	A description of the circumstances in which the Company may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the AIFM is entitled to employ on behalf of the Company.	AIFMD defines "leverage" as any method by which an AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. There are no restrictions on the Company's use of leverage or borrowing, other than those set out in this Document and those which may be imposed by applicable statutes and regulations, including the IPSX Rules which restrict borrowing of 80 per cent LTV. Pursuant to its regulatory obligations, the AIFM is required to express the level which the Company's 'leverage' will not exceed. For the purposes of this disclosure leverage is any method by which a fund's exposure is increased. A fund's exposure may be increased by using derivatives, by reinvesting cash borrowings, through positions within repurchase or reverse repurchase agreements, through securities lending or securities borrowing arrangements, or by any other means (such increase referred to herein as the "**Incremental Exposure**"). AIFMD prescribes two methods of measuring and expressing leverage, the gross methodology" (as opposed to gearing) and requires disclosure of the maximum amount of 'leverage' the Company might be subject to. The definition of leverage is wider than that of gearing and includes exposures that are not considered to be gearing. The commitment methodology takes account of the hedging and netting arrangements employed by a fund at any given time (purchased and sold derivative positions will be netted where both relate to the same underlying asset).

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
		This calculation of exposure includes all Incremental Exposure as well as a fund's own physical holdings; and cash. By contrast, the gross methodology does not take account of the netting or hedging arrangements employed by a company. This calculation of exposure includes all Incremental Exposure as well as the Company's own physical holdings. Cash is excluded. Without prejudice to the foregoing, the Company has set a maximum leverage limit of 300 per cent. on both a ''commitment basis'' and ''gross'' basis.
Art. 23 (1) (c)	Legal Implications	
7.	Description of the main legal implications of the contractual relationship entered into for the purpose of investment, providing the following information: • information on jurisdiction; • information on the applicable law; and • information on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the Company is established.	Please refer to paragraph 2.1 of this Part XI. The main legal implications of the contractual relationship entered into for the purpose of investment in the Company are as follows: (a) The Company is a public limited company established in accordance with the laws of England and is intended to qualify as a REIT. (b) By entering into a Subscription Agreement or Placing Letter, the investor makes an offer to subscribe for Ordinary Shares which, once it is accepted by the Company, has the effect of a binding contract. (c) Upon the issue of Ordinary Shares and entry into the Company's share register, such investor becomes a member of the Company and the memorandum of association and the Articles take effect as a statutory contract between the Shareholder and the Company. (d) The Articles may only be amended by way of a special resolution in accordance with the Companies Act 2006.

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
		(e) Subject to a Shareholder agreeing otherwise, a Shareholder's liability to the Company will generally be limited to the amount, if any, unpaid on the Ordinary Shares held by such Shareholder. (f) The memorandum of association and the Articles are governed by, and construed in accordance with, the laws of England. Each Subscription Agreement and Placing Letter is generally expressed to be governed by, and construed in accordance with, the laws of England. (g) English law generally provides for the recognition of foreign money judgments when under the law of the foreign country where rendered, the judgment is final, conclusive, and enforceable. However, English courts may not enforce certain foreign-country money judgments for certain procedural, fairness and public policy reasons, and have discretion not to enforce foreign-country money judgments for other certain procedural, fairness and public policy reasons.
Art. 23 (1)(d)	Information about the identity of the AIFM and of other service providers	
8.	Identity of the AIFM and description of its duties.	M7 Real Estate Financial Services Limited has been appointed as the Company's AIFM under the AIFM Agreement. The AIFM is authorised and regulated by the FCA (as defined below) with Firm Reference Number 618047. A general description of the AIFM and its duties is set out at Part III (*Information on the AIFM and the Asset Manager*) and paragraph 2.3 of this Part XI.

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
9.	Identity of the depositary and description of its duties.	Alter Domus Depositary Services (UK) Limited has been appointed as depositary to provide depositary services to the Company, which will include safekeeping of the assets of the Company. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company. A general description of the Depositary and its duties is set out at paragraph 2.4 of this Part XI.
10.	Identity of the auditor.	Haysmacintyre LLP whose registered address is 10 Queen Street Place, London EC4R 1AG, have been appointed as the statutory auditor to the Company.
11.	Identity of any other service providers and description of their duties.	A. **Asset Manager**: M7 Real Estate Limited. The Asset Manager will provide asset management services to the Group and will be responsible for the day-to-day asset management of the Property. A general description of the Asset Manager and its duties is set out at Part II (*Information on the AIFM and the Asset Manager*). The Asset Manager is appointed by the Group under the Asset Management Agreement. B. **Administrator**: Alter Domus Fund Services (UK) Limited C. **IPSX Lead Adviser and Settlement Agent**: WH Ireland Limited D. **Solicitors to the Company as to English law**: Simmons & Simmons LLP E. **Solicitors to the Lead Adviser and Settlement Agent as to English law**: Pinsent Masons LLP F. **Company Secretary**: Alter Domus Fund Services (UK) Limited G. **Statutory Auditors**: Haysmacintyre LLP H. **Registrars to the Company**: Equiniti Limited

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
		I. **Communications Consultant**: FTI Consulting Ltd J. **Property Manager**: Jones Lang LaSalle Limited
12.	Description of the investors' rights.	None of the agreements appointing the AIFM, the Asset Manager, the Depositary, the Administrator, the Property Manager, the Auditors, legal counsel or any other of the Company's service providers provides for any third party rights for investors. Absent a direct contractual relationship between the Shareholder and the relevant service provider, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against the relevant service provider. Instead, in an action where a wrongdoing is alleged to have been committed against the Company, by the relevant service provider, prima facie, the proper plaintiff is the Company itself. Accordingly, investors would have no direct contractual right against the relevant service provider for breach of the agreement governing its appointment by the Company. The foregoing disclosure is without prejudice to such other rights of action (for example, under tort law or in respect of breach of fiduciary or legal duty, if any) which might in certain situations be separately available to investors.
Art. 23 (1)(e)	Compliance of the AIFM with Professional Risk	
13.	Description of how the AIFM is complying with the requirements relating to professional liability risk by either: • having additional own funds which are appropriate to cover potential liability risks arising from professional negligence; or • holding a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.	The AIFM will cover potential professional liability risks resulting from its activities as AIFM by holding professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, in accordance with the AIFM Rules. Please refer to paragraph 2.3 and 11.3 of this Part XI

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
Art.23 (1)(f)	Delegation by the AIFM and by the Depositary	
14.	A description of any delegation of management function by the AIFM, and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegation.	Neither the AIFM nor the Depositary have appointed any delegates. Please refer to paragraph 11.3 and 11.7 of this Part XI.
Art. 23 (1)(g)	Valuation	
15.	Description of the Company's: • valuation procedure; and • pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets.	The AIFM will ensure that (i) a proper and independent desktop valuation on a quarterly basis; and (ii) a proper and independent full valuation (involving inspection) on an annual basis, are performed on a timely basis in accordance with the Company's valuation policy, the Articles, this Document and the AIFM Rules and in both cases such valuations comply with the requirements of a "Red Book Valuation" as set out in the IPSX Rules. The AIFM has appointed the Asset Manager to calculate the GAV, NAV and NAV per Ordinary Share, but the determination of the GAV, NAV and NAV per Ordinary Share shall remain the responsibility of the AIFM. The GAV, NAV and the NAV per Ordinary Share shall be calculated on a quarterly basis as at 31 March, 30 June, 30 September and 31 December by the Asset Manager and determined by the AIFM. Calculations will be made in accordance with IFRS. The AIFM's valuation committee formed to approve such valuations will be functionally independent from the portfolio management function (within the meaning of the AIFM Rules). Please refer to paragraph 9 of Part I: (*Information on the Company and the Property*).
Art. 23 (1)(h)	Liquidity Risk Management	
16.	Description of the Company's liquidity risk management, including: • the redemption rights both in normal and in exceptional circumstances; and • the existing redemption arrangements with investors.	The Ordinary Shares are freely transferable and there are no restrictions on transfer. The Company is a closed-end investment company and, as such, Shareholders have no right to redeem their Ordinary Shares. Please refer to paragraph 7.3 of Part XI (*Additional Information*).

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
Art. 23 (1)(i)	Fees, Charges and Expenses	
17.	A description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors.	There are no fees, charges or expenses paid directly by investors in the Company. For the fees, charges and expenses which are indirectly borne by investors (i.e. which are paid by the Company or deducted from the assets of the Company) please refer to paragraph 7 of Part III (*Information on the AIFM and the Asset Manager*); paragraph 2 of Part X (*Details of the Issue*); and paragraph 11 of Part XI (*Additional Information*).
Art. 23 (1)(j)	Fair Treatment of Investors	
18.	Description of how the AIFM ensures a fair treatment of investors and, in case an investor obtains preferential treatment or the right to obtain preferential treatment: • a description of that preferential treatment; • a description of the type of investors with such preferential treatment; and • a description of the legal or economic links of investors with preferential treatment to the Fund or AIFM.	As a general matter under English law, it is the Directors of the Company (and not the AIFM or the Asset Manager) who owe certain fiduciary duties to the Company. Such fiduciary duties require the Directors to, among other things, act in good faith and in what it considers to be in the best interests of the Company. In doing so, the Directors will generally act in a manner that ensures the fair treatment of Shareholders of the Company. In exercising their discretion, the Directors will act in accordance with such fiduciary duties. This requires the Directors to ensure that their actions do not result in the unfair treatment of Shareholders. Pursuant to the AIFM Agreement, the AIFM owes duties to the Company, and not directly to individual Shareholders. The AIFM takes general steps to ensure the fair treatment of Shareholders. This includes the timely dissemination of material information to Shareholders, mechanisms for Shareholders to make queries and complaints, and the monitoring of those matters which require notification to Shareholders. The AIFM ensures that any preferential treatment identified does not result in an overall material disadvantage to other Shareholders.

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
Art.23 (1)(k)	Financial Information	
19.	Latest annual report.	The Company was incorporated on 20 August 2020 for the purpose of acquiring the Property and has no trading history. For the Company's first accounting period to 31 December 2021, the Company filled account and were entitled to exemption from audit under section 480 of the Companies Act on the basis of being a small company that has been dormant throughout the accounting period. Please refer to paragraph 3 of Part I (*Information of the Company and the Property*) Under AIFMD, the AIFM is required to make available the annual report of the Company that it markets in the EEA. This must be prepared by no later than six months following the end of the financial year. Please refer to paragraph 18 of Part I (*Information on the Company and the Property*).
Art. 23 (1)(l)	Information about the Issue and the Sale of Ordinary Shares	
20.	Procedure and conditions for the issue and sale of shares.	In respect of the Issue, please refer to Part X (*Details of the Issue*)
Art.23 (1)(m)	Net Asset Value of the Company	
21.	Latest net asset value of the Company or the latest market price of the shares of the Company.	The Company was incorporated on 20 August 2020 for the purpose of acquiring the Property and has no trading history. It is the intention, following Admission, to complete on the Acquisition of the Property. For valuation information on the Property, please refer to Part V (*Property Valuation Report*). The Net Asset Value and NAV per Ordinary Share will be calculated by the Asset Manager but remain the responsibility of, and will be determined by, the AIFM. The NAV and the NAV per Ordinary Share shall be calculated on a quarterly basis as at 31 March, 30 June, 30 September and 31 December. When published, Net Asset Value announcements can be found on both the Company's website: www.bwpreit.com

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
Art. 23 (1)(n)	Performance of the Company	
22.	Where available, the historical performance of the Company.	The Company was incorporated on 20 August 2020 for the purpose of acquiring the Property and has no trading history.
Art. 23 (1)(o)	Information about the Prime Broker	
23.	Identity of the prime broker.	N/A. The Company does not intend to use a prime broker.
24.	Description of any material arrangements of the Fund with its prime brokers.	N/A
25.	Description of the way the conflicts of interest in relation thereto are managed.	N/A
26.	Description of any provisions in the contract with the Depositary on the possibility of transfer and reuse of Fund assets.	N/A. Transfer and reuse of the assets of the Company is not permitted
27.	Information about any transfer of liability to the prime broker that may exist.	N/A
Art. 23 (1)(p)	Additional AIFM Disclosures	
28.	Description of manner and frequency of specific disclosures relating to the following: • percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature; • new arrangements for managing the liquidity of the Fund; and • current risk profile of the Fund and the risk management systems employed by the AIFM to manage the above risks.	The Company is a single asset, closed-end investment company. As such the disclosures contemplated by the article are not applicable. With effect from the date on which the AIFM becomes subject to the obligation to make such information available to Shareholders, the following information will be disclosed to Shareholders, by way of a separate disclosure at least annually or sooner if required by law, in each case only to the extent applicable to the Company: (A) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature; (B) new arrangements for managing the liquidity of the Company; (C) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks, and the AIFM shall manage these arrangements and risks in accordance with the liquidity management policy of the AIFM as in effect from time to time

AIFMD REFERENCE		INFORMATION OR CROSS REFERENCE
29.	In case of leverage employed by the Fund: • changes to the maximum level of leverage which the AIFM may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and • total amount of leverage employed by the Fund.	The following information will be disclosed to Shareholders by way of a separate disclosure by the AIFM without undue delay, in each case only to the extent applicable to the Company: (A) any changes to the maximum level of leverage which the AIFM may employ on behalf of the Company, if applicable; (B) any changes to the right of reuse of collateral; (C) any changes to any guarantee granted under any leveraging arrangement; and (D) the total amount of leverage employed by the Company, and the AIFM shall manage these obligations in accordance with the leverage policy of the AIFM in effect from time to time.
Art. 23 (2)	Information on Discharge of Liability	
30.	Description of any arrangement made by the Depositary to contractually discharge itself of liability.	Please refer to paragraph 11.7 of this Part XI for further details on the Depositary Agreement.

13. RELATED PARTY TRANSACTIONS

Save for (i) the AIFM Agreement (ii) the Asset Management Agreement and (iii) the Bookbuild Agreement, there are no related party transactions between the Company and the members of the Group that were entered into during the 12 months preceding the date of this Document.

14. WORKING CAPITAL

The Directors and the Company are of the opinion that the working capital available to the Company is sufficient for the Company's present requirements that is for a period of at least 12 months from the date of this Document.

15. LEGAL AND ARBITRATION PROCEEDINGS

So far as the Company is aware, there are not, and have not been, any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened as far as the Company is aware), during the 12 months immediately preceding the date of this Document which may have, or have had in the recent past, significant effect on the Company's and/or the Group's financial position or profitability.

16. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Company since the end of the last financial period ended 30 September 2022.

17. SELLING RESTRICTIONS

Distribution the United Kingdom

This Document is being issued in the United Kingdom by the Company to and/or is directed only at persons who are professional investors for the purposes of the Alternative Investment Fund Managers Regulations 2013, as amended and is accordingly exempt from the financial promotion restriction in Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") in accordance with article 29(3) of the FSMA (Financial Promotions) Order 2005. The opportunity to invest in the Company is only available to such persons in the United Kingdom and this Document must not be relied or acted upon by any other persons in the United Kingdom.

Distribution outside the United Kingdom

European Economic Area

This Document is not directed at or addressed to, and may not be relieved or acted on by, any person in any member state of the European Economic Area. Accordingly, this Document is not addressed to or directed at persons in Member States in which the provisions of this Document would constitute marketing within the meaning of the relevant national rules implementing the AIFMD.

Bahrain

This Document has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. No offer to the public to purchase the Ordinary Shares will be made in the Kingdom of Bahrain and this Document is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

Hong Kong

WARNING – The contents of this Document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Document, you should obtain independent professional advice. This Document has not been registered by the Registrar of Companies in Hong Kong. The Company is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the "**SFO**") but has not been authorised by the Securities and Futures Commission pursuant to the SFO. Accordingly, the Ordinary Shares may only be offered or sold in Hong Kong to persons who are "professional investors" as defined in the SFO and any rules made under the SFO or in circumstances which are permitted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong and the SFO. In addition, this Document may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and the Ordinary Shares may not be disposed of to any person unless such person is outside Hong Kong, such person is a "professional investor" as defined in the SFO and any rules made under the SFO or as otherwise may be permitted by the SFO.

Israel

This Document has not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15A of the Israel Securities Law, 5728-1968 ("**the Securities Law**") or section 25 of the Joint Investment Trusts Law, 5754-1994 ("**the Joint Investment Trusts Law**"), as applicable. The Ordinary Shares are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in section 15A(b) of and/or the First Addendum ("**the Addendum**") to the Securities Law, ("**Sophisticated Investors**") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing Ordinary Shares for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing Ordinary Shares for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing Ordinary Shares for themselves), members of the Tel-Aviv Stock Exchange (purchasing Ordinary Shares for themselves or for clients who are Sophisticated Investors), underwriters (purchasing Ordinary Shares for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, (other than formed for the specific purpose of an acquisition pursuant to an offer), with a shareholders equity in excess of NIS 50 million, and individuals investing for their own account, in respect of which at least one of the following applies: the total value of their cash, deposits, financial assets (as defined in the

Investment Advice Law) and securities traded on a stock exchange licensed under the Securities Law (together, "**Liquid Assets**") exceeds NIS 8,094,444 ; their level of income over each of the preceding two years exceeds NIS 1,214,317, or the level of income of their "family unit" exceeds NIS 1,821,475; or the aggregate value of all their Liquid Assets exceeds NIS 5,059,652 and their level of income over each of the preceding two years exceeds NIS 607,158, or the level of income of their "family unit" exceeds NIS 910,737; each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority.

This Document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases Ordinary Shares is purchasing such Ordinary Shares for its own benefit and account and not with the aim or intention of distributing or offering such Ordinary Shares to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing Ordinary Shares for another party which is a Sophisticated Investor).

Nothing in this Document should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995 ("**the Investment Advice Law**").

Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making any investment. The Company does not hold a licence under the Investment Advice Law, nor does it carry the insurance as required of a licensee thereunder. As a prerequisite to the receipt of a copy of this Document a recipient may be required by the Company to provide confirmation that it is a Sophisticated Investor purchasing Ordinary Shares for its own account or, where applicable, for other Sophisticated Investors.

This Document presentation does not constitute an offer to sell or solicitation of an offer to buy any securities other than the Ordinary Shares offered hereby, nor does it constitute an offer to sell to or solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

Kuwait

This Document is not for general circulation to private investors nor to the public in Kuwait. The Ordinary Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Ordinary Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Ordinary Shares is being made in Kuwait, and no agreement relating to the sale of the Ordinary Shares will be concluded in Kuwait.

No marketing or solicitation or inducement activities are being used to offer or market the Shares in Kuwait.

Monaco

The Company may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco Bank or a duly authorized Monegasque intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Company. Consequently, this Document and its contents may only be communicated to (i) banks, and (ii) portfolio management companies duly licensed by the "Commission de Controle des Activites Financieres" by virtue of Law n° 1.338, of September 7, 2007, and authorized under Law n° 1.144 of July 26, 1991. Such regulated intermediaries may in turn communicate this Document to potential investors under their own liability.

Saudi Arabia

The Ordinary Shares may only be offered and sold in the Kingdom of Saudi Arabia in accordance with Article 94 of the Investment Funds Regulations issued on December 24, 2006 (the "**Regulations**"). Article 94(a) of the Regulations states that, if investment fund units are offered to sophisticated investors, as specified in Article 74(b) of the Regulations, or the minimum amount payable per offeree is not less than Saudi Riyals 1 million or an equivalent amount in another currency, such offer of investment fund units shall be deemed a private placement for purposes of the Regulations. Investors are informed that Article 101 of the Regulations places restrictions on secondary market activity with respect to such investment fund units.

United Arab Emirates

FOR UNITED ARAB EMIRATES (EXCLUDING DUBAI INTERNATIONAL FINANCIAL CENTRE AND ABU DHABI GLOBAL MARKET) RESIDENTS ONLY

This Document, and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates and accordingly should not be construed as such. The Ordinary Shares are only being offered to a limited number of investors in the UAE who (a) are willing and able to conduct an independent investigation of the risks involved in an investment in such Ordinary Shares, and (b) upon their specific request. The Ordinary Shares have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE. This Document is for the use of the named addressee only, who has specifically requested it without a promotion effected by the AIFM, its promoters or the distributors of its units, and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in the UAE and any enquiries regarding the Ordinary Shares should be made to the Company.

United States

The Ordinary Shares have not been, and will not be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or transferred in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in each case in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Accordingly, the Ordinary Shares are being offered and sold only outside the United States in offshore transactions within the meaning of, and in reliance on, under Regulation S under the Securities Act. There will be no public offer of securities in the United States.

The Ordinary Shares are only suitable for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Company does not constitute a complete investment program and who fully understand and are able to bear the loss of their investment in the Company. The Company's investment program, by its nature, may be considered to involve a substantial degree of risk. Subscribers for Ordinary Shares must represent that they are acquiring the Ordinary Shares for investment.

Offering materials for the offering of the Ordinary Shares have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

18. GENERAL

Haysmacintyre LLP of 10 Queen Street Place, London, EC4R 1AG has been appointed as the reporting accountants to the Group.

Avison Young has given and has not withdrawn its written consent to the inclusion of its name and of its property valuation report included in Part V (*Property Valuation Report*) of this Document and references to them in the form and context in which they are included and has authorised, and accordingly takes responsibility for, the contents of that report for the purpose of this Document.

Avison Young confirm that all the valuers involved in the valuation in Part V (*Property Valuation Report*) have sufficient current knowledge of the particular market and the skills and understanding required to undertake the valuation competently and are RICS Registered Valuers. Avison Young are IPSX approved valuers. The valuation has been prepared jointly by Mark Shelley MRICS, a Director within Valuation Consultancy and Rebecca Millard MRICS, a Principal within Valuation Consultancy, each for an on behalf of Avison Young (UK) Limited, a company with registered address at 3 Brindley Place, Birmingham, England, B1 2JB.

Avison Young have no material interest in the Company.

There has been no material change in the valuation of the Property which is the subject of the property valuation report referred to in Part V (*Property Valuation Report*) since the date of the valuation contained in such report.

The Lead Adviser to the Company for the purposes of the IPSX Rules is WH Ireland which is authorised and regulated by the FCA. WH Ireland has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which they are included.

19. THIRD PARTY

Where information contained in this Document originates from a third party source, it is identified where it appears in this Document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

20. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during usual business hours (Saturdays, Sundays and public holidays excepted) for a period of 12 months following Admission at the offices of Simmons & Simmons LLP at One Ropemaker Street, London EC2Y 9SS and the Company's registered office at C/O Alter Domus (UK) Limited, 10th floor, 30 St Mary Axe, London EC3A 8BF and on the Company's website at www.bwpreit.com:

- the Articles;
- the report of Avison Young which is set out in Part V (*Property Valuation Report*);
- the consent letters of Avison Young and WH Ireland referred to in paragraph 18 above; and
- this Document.

PART XII

DEFINITIONS

"**Acquisition**"	the acquisition by Propco of the Property, from CPPI Bridgewater Place General Partner Limited, initially to be undertaken by way of the grant to Propco of the Commercial Long Lease, as described in this Document;
"**Administrator**"	Alter Domus Fund Services (UK) Limited or such successor entity as may be appointed in the future as the Company's administrator;
"**Admission**"	admission of the Ordinary Shares to IPSX Wholesale becoming effective in accordance with the IPSX Rules;
"**affiliate**"	an affiliate of, or person affiliated with, a specified person, including a person that directly, or indirectly through one or more intermediate holding companies, controls or is controlled by, or is under common control with, the person specified, (and in the case of a limited partnership the limited partnership shall be controlled by its general partner);
"**AIC**"	the Association of Investment Companies;
"**AIC Code**"	the 2019 AIC Code of Corporate Governance, as revised or updated from time to time;
"**AIF**"	an alternative investment fund;
"**AIFM**"	M7 Real Estate Financial Services Ltd or such successor entity as may be appointed in the future as the Company's alternative investment fund manager;
"**AIFMD**"	the European Union's Alternative Investment Fund Managers Directive (No. 2071/61/EU) and all legislation made pursuant thereto, including, where applicable, the applicable implementing legislation and regulations in each member state of the European Union;
"**AIFM Rules**"	the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) as amended by the Alternative Investment Fund Managers (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019/328), the FCA Handbook in particular FUND, all applicable laws, rules and regulations relating to the AIFMD that were transposed in the UK by the European Union (Withdrawal) Act 2018;
"**Articles**"	the articles of association of the Company in force for the time being;
"**Asset Manager**"	M7 or such successor entity as may be appointed in the future as the Company's asset manager;
"**Avison Young**"	Avison Young Limited;
"**Barclays**"	Barclays Bank PLC;
"**Big 6**"	comprises of Leeds, Birmingham, Bristol, Edinburgh, Glasgow and Manchester;
"**Board**"	the board of directors of the Company whose names are listed on page 10 of this Document;

"**Bookbuild Agreement**"	the bookbuild agreement between the Company and the AIFM dated 14 November 2022, as summarised in paragraph 11.2 of Part XI (*Additional Information*);
"**bps**"	basis points;
"**Building Contractor**"	Clearline Limited or such other building contractor appointed to carry out the Cladding Works;
"**Building Safety Fund**"	the building safety fund for the remediation of non-ACM cladding systems provided by the Department for Levelling Up, Housing & Communities;
"**Cladding Contract**"	the building contract to be entered into between the Seller and the Building Contractor at Completion to carry out the Fire Safety Works, as summarised in paragraph 9 of Part I (*Information on the Company and the Property*);
"**Cladding Works**"	works to replace insulation behind the cladding;
"**Clearline**"	Clearline Maintenance Limited;
"**Commercial Long Lease**"	the 999 year lease of the internal commercial areas of the Property (including the commercial common parts and the internal structural parts);
"**Company**"	BWP REIT PLC (incorporated in England and Wales with registered number 12827322);
"**Completion**"	completion of the Acquisition, which will take effect following Admission in accordance with the terms of the General Undertaking;
"**Contracted Rent**"	the annualised gross rent after adjusting for the inclusion of rent subject to rent free periods;
"**CPI**"	consumer price index;
"**CREST**"	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
"**CRS**"	the OECD Common Reporting Standard;
"**CTA 2010**"	the United Kingdom Corporation Tax Act 2010;
"**Depositary**"	Alter Domus Depository Services (UK) Limited or such successor entity as may be appointed in the future as the Company's depository;
"**different UK property business**"	a separate UK property business from any other UK property business;
"**Directors**"	the directors of the Company;
"**Disclosure Guidance and Transparency Rules**"	the FCA's Disclosure Guidance and Transparency Rules contained in the FCA Handbook;
"**Disposal Notice**"	a notice in writing given by the Board to any persons they believe are Relevant Registered Shareholders in respect of the relevant shares requiring such Relevant Registered Shareholders within 21 days of the date of service of the notice (or such longer or shorter time as the Board considers to be appropriate in the circumstances) to dispose of such number of shares the Board may in such notice specify or to take such other steps as will

	cause the condition set out in Article 140(1) no longer to be satisfied;
"**Document**"	this admission document issued in compliance with the IPSX Rules;
"**EPC**"	energy performance certificate;
"**Facility**"	the £38.6 million facility between Propco, Holdco, Barclays and funds managed by LaSalle Investment Management, as summarised in paragraph 3 of Part VI (*The Acquisition*);
"**FATCA**"	the United States Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and US Treasury Regulations promulgated thereunder together, as amended from time to time;
"**FATCA Deduction**"	the 30 per cent withholding tax on certain payments to a company of US source income (including interest and dividends) if such company does not comply with its obligations to report certain information about "Specified U.S. Persons" (as defined in the US-UK IGA) that own, directly or indirectly, an interest in the company;
"**FCA**"	the UK Financial Conduct Authority;
"**FCA Handbook**"	the FCA handbook of rules and guidance as amended from time to time;
"**FCA Rules**"	the rules of the FCA as set out in the FCA Handbook;
"**Finco**"	Minories Finco Ltd;
"**Finco Loan Notes**"	unsecured loan notes of £23 million issued by Finco pursuant to the Loan Note Arrangements described in paragraph 4 of Part VI (*The Acquisition*);
"**Fire Safety Works**"	the fire safety works relating to the remediation of certain cladding elements and the installation of sprinklers at the Property described in more detail in paragraph 9 of Part I (Information on the Company and Property);
"**Freehold Titles**"	the freehold titles relating to the Property, comprising of the following: • the freehold land in title number WYK717020 for which the description on the title register is land on the West side of Victoria Road, Leeds; • the freehold land in title number WYK755208 for which the description on the title register is land lying to the south of Water Lane, Leeds; • the freehold land in title number WYK717029 for which the description on the title register is land on the North side of Back Row, Holbeck, Leeds;
"**General Undertaking**"	the solicitors' undertaking dated 14 November 2022 given by solicitors acting for Barclays, LIM, LCC, Propco and the Seller governing the completion mechanics for the grant of the Commercial Long Lease and the novation of the Facility;
"**GDP**"	gross domestic product;

"**Gross Asset Value**" or "**GAV**"	for the purposes of the Asset Management Agreement: (A) in respect of the period from the date of Admission until the third anniversary thereof, the purchase price of the Property as at the Acquisition plus net proceeds raised from the Issue to fund the asset management plan for the Property; and (B) thereafter, the value of the Property updated every six months in the manner described in this Document.
"**Group**"	the Company and its subsidiary undertakings from time to time;
"**High Winds Procedure**"	Leeds City Council procedure during high winds, by which part of Water Lane (being the address of the Property) was closed in high winds;
"**HMRC**"	the United Kingdom HM Revenue & Customs;
"**Holdco**"	M7 BWP Holdco Limited;
"**Holdco Loan Notes**"	unsecured loan notes of £23 million issued by Holdco pursuant to the Loan Note Arrangements described in paragraph 4 of Part VI (*The Acquisition*);
"**IFRS**"	International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the UK;
"**Interest Cover**"	the number of times net interest payable is covered by underlying profit before net interest payable and taxation;
"**IPSX**"	the International Property Securities Exchange;
"**IPSX Rules**"	the IPSX rules for issuers dated March 2022 which govern admission and trading of financial instruments in commercial real estate companies as issued by IPSX and as amended from time to time;
"**IPSX Wholesale**"	the wholesale market of IPSX;
"**ISA**"	an individual savings account;
"**Issue**"	the issue of 35,000,000 Ordinary Shares conditional on Admission made pursuant to the Subscription Agreements and Placing Letters at the Issue Price;
"**Issue Price**"	100 pence per Ordinary Share;
"**Jones Lang LaSalle**"	Jones Lang LaSalle Limited;
"**JV company**"	a joint venture company which is carrying on a property rental business where a 40 per cent. interest in the company is held by the REIT and a joint venture notice has been submitted to HMRC;
"**LCC**"	Leeds City Council;
"**Lawson Criteria**"	means the Lawson wind comfort criteria which measure wind speed threshold values as well as the probability of wind speed values to determine the comfort of pedestrians corresponding to particular activities, such as sitting, standing or walking fast, amongst others;
"**Lead Adviser and Settlement Agent**"	WH Ireland Limited;

"**Lead Adviser Agreement**"	the lead adviser agreement between the Company, the AIFM, the Asset Manager, the Directors and the Lead Adviser and Settlement Agent dated 14 November 2022, as summarised in paragraph 11.1 of Part XI (*Additional Information*);
"**Lender**"	Barclays and funds managed by LaSalle Investment Management;
"**LIM**"	LaSalle Investment Management;
"**Loan Note Arrangements**"	the arrangements pursuant to which Propco has borrowed £23 million, pursuant to the Propco Shareholder Loan, the Holdco Loan Notes and the Finco Loan Notes, as described in paragraph 4 of Part VI (*The Acquisition*);
"**Loan to Value**" or "**LTV**"	the ratio of gross debt less cash, short-term deposits and liquid investments to the aggregate value of properties and investments;
"**Marick**"	Marick Capital Limited (Company No. 08458300) whose registered office is at 33 Cavendish Square, London W1G 0PW who will provide developer manager services in relation to the Fire Safety Works;
"**M7**"	M7 Real Estate Limited;
"**M7 Group**"	M7 Real Estate Limited and its affiliates;
"**Market Abuse Regulation**"	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;
"**Market Rental**"	the external valuer's opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property;
"**Money Laundering Regulations**"	all relevant legislation and regulations, in particular (without limitation) those relating to money laundering and terrorist financing under Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering and Terrorist Financing (Amendment) Regulations 2019;
"**Net Asset Value**" or "**NAV**"	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time;
"**Net Asset Value per Ordinary Share**" or "**NAV per Ordinary Share**"	at any time the Net Asset Value divided by the number of Ordinary Shares in issue at the date of calculation;
"**Net Initial Yield**"	the current annualised rent, net of costs, expressed as a percentage of capital value, after adding notional purchaser's costs;
"**Net Rental Income**"	the rental income receivable in the period after payment of ground rents and net property outgoings. Net rental income will differ from annualised net rents and passing rent due to the effects of income from rent reviews, net property outgoings and accounting adjustments for fixed and minimum contracted rent reviews and lease incentives;
"**Non-PID Dividend**"	a dividend by the Company representing profits and gains of the REIT Group's Residual Business;

"**Occupational Lease**"	any present or future lease, underlease, sub-lease, licence agreement, option, tenancy or right to occupy any Property in each case howsoever described, whether for a fixed term or on a periodic basis governing the use or occupation of any Property or any part of it to which the Company's in direct interest may be subject from time to time;
"**OECD**"	the Organisation for Economic Co-operation and Development;
"**Official List**"	the Official List of the FCA;
"**Option Agreement**"	the option agreement made between the Seller and the Propco granting Propco the right to call for transfer of the Freehold Titles upon satisfaction of certain conditions more particularly described at paragraph 11.15 of Part XI (*Additional Information*);
"**Ordinary Shares**"	the ordinary shares of 100 pence each in the capital of the Company;
"**Oxford Group**"	Oxford Properties Group, a Canadian incorporated real estate investor, asset manager and business builder and parent company of M7;
"**Passing Rent**"	the amount of rent, which is receivable on the valuation date, which may be different from the amount of contracted rent as a result of current tenant incentives;
"**Placing Letters**"	the placing letters described in paragraph 1 of Part X (*Details of the Issue*);
"**Propco**"	M7 BWP Propco Limited;
"**Propco Shareholder Loan**"	shareholder loan entered into between Holdco, as lender, and Propco as borrower in respect of an interest bearing loan of £23 million granted pursuant to a facility agreement dated 19 April 2022, in connection with the Loan Note Arrangements;
"**Property**"	Bridgewater Place located at Water Lane, Leeds, LS11 5DR;
"**Property Income Distribution**" or "**PID**"	a property income distribution, i.e. a distribution by the Company as the principal company of the REIT Group of amounts shown in the financial statements of the REIT Group as income profits of the REIT Group's Property Rental Business;
"**Property Manager**"	Jones Lang LaSalle;
"**Property Management Agreement**"	the existing property management agreement with the Seller;
"**Property Management Side Agreement**"	the property management side agreement between the Seller, Propco and the Property Manager, to be entered into at Completion, as described in paragraph 11.5 of Part XI (Additional Information);
"**Property Rental Business**"	the qualifying property rental business in the UK and elsewhere of the REIT Group;
"**Quarter Day**"	the dates on which the rents are charged quarterly in advance being; 25 March, 24 June, 29 September and 25 December;
"**Real Estate Investment Trust**" **or** "**REIT**"	a listed property company which qualifies for and has elected into a tax regime, which exempts qualifying property rental income and gains on investment property disposals from corporation tax;

"**Registrar**"	Equiniti Limited;
"**REIT Group**"	the Company and its subsidiaries and any other company which is eligible to be treated as a member of the same group (for the purposes of Part 12 of the CTA 2010) as the Company;
"**Rent**"	all Rental Income excluding any Service Charge Proceeds, ground rent payable, other non-recoverable property operating expenses, VAT and any other Taxes, charges or costs of a similar nature
"**Regulation S**"	Regulation S under the Securities Act;
"**Reporting Obligation**"	any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Company's status, or the Company's status as a REIT;
"**Residual Business**"	the business of the REIT Group which is not part of the qualifying Property Rental Business;
"**RPI**"	retail price index;
"**SDLT**"	stamp duty land tax;
"**SDRT**"	stamp duty reserve tax;
"**Securities Act**"	the US Securities Act of 1933;
"**Seller**"	CPPI Bridgewater Place General Partner Limited (Company No. 04764988) whose registered office is at c/o Marick 33 Cavendish Square, London W1G 0PW and Bridgewater Place Nominee Limited (Company No. 09360721) whose registered office is c/o Marick, 33 Cavendish Square, London W1G 0PW;
"**Shareholders**"	shareholders of the Company from time to time;
"**SIPP**"	the self-invested pension plan;
"**SONIA**"	Sterling Over Night Index Average Rate;
"**SPA**"	the conditional sale contract entered into between (1) the Seller, (2) Propco, and (3) Marick dated 22 April 2022 for the Acquisition and which will be varied immediately prior to Completion via the General Undertaking;
"**Special Articles**"	the articles set out in paragraph 4.1 of Part VIII (*The REIT Regime and Taxation*) of this Document;
"**Sprinkler Contract**"	the contract to be entered into by Propco with Armstrong Priestly post Admission in relation to the Sprinkler Works;
"**Sprinkler Works**"	the installation of sprinklers to the residential apartments of the Property;
"**Subscribers**"	any person or persons subscribing for and/or purchasing Ordinary Shares pursuant to a Subscription Agreement or Placing Letter;
"**Subscription Agreements**"	the subscription agreements described in paragraph 1 of Part X (*Details of the Issue*);

"**Substantial Shareholder**"	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause any member of the REIT Group to be liable to pay tax under section 551 of the CTA 2010 (as such section may be modified, supplemented or replaced from time to time) on or in connection with the making of a dividend or other distribution on or in respect of Ordinary Shares to or in respect of such person including, at the date of adoption of the Articles of Association, any holder of excessive rights as defined in section 553 CTA 2010;
"**Substantial Shareholding**"	the shareholding in the Company held by or on behalf of a Substantial Shareholder;
"**tax-interest expense**"	the sum of the relevant interest expense amounts which broadly refers to items of profit and loss in relation to financing expense, including interest payable under a loan relationship, expenses ancillary to a loan relationship and losses arising from a loan relationship. A relevant loan relationship is defined under the corporation tax act and are for the purposes of trade, this excludes an exchange gain or the reversal of an impairment loss;
"**tax-EBITDA**"	the sum of the taxable profits of a company before capital allowances, interest or tax, adjusted for any depreciation or amortisation. The taxable profits of a company for the period are less any reductions required for reliefs, such as losses, which can be applied against those taxable profits;
"**TIOPA 2010**"	the Taxation (International and Other Income) Act 2010;
"**Unit**"	pre-assembled units which contain windows, insulation, framing and rainscreen panels which are then attached to the concrete frame;
"**US-UK IGA**"	a Model 1 inter-governmental agreement the United Kingdom has signed with the United States to give effect to the United States Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and US Treasury Regulations promulgated thereunder;
"**VAT**"	(i) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (ii) any other tax of a similar nature, whether imposed in the United Kingdom, or in a member state of the European Union, in substitution for, or levied in addition to, such tax referred to in (i), or imposed elsewhere;
"**WAULT**"	the weighted average unexpired lease term expressed either as a period to a break clause or period to expiry;
"**WH Ireland**"	WH Ireland Limited;
"**Wind Scheme**"	has the meaning given to that term in paragraph 2 of Part I (*Information on the Company and the Property*);
"**75 per cent. assets test**"	a condition whereby at the beginning of the accounting period the value of the assets in the Property Rental Business must represent at least 75 per cent. of the total value of assets held by the REIT Group;

"**75 per cent. profits test**"	a condition whereby the income profits arising from the Property Rental Business must represent at least 75 per cent. of the REIT Group's total profits for the accounting period; and
"**90 per cent. distribution test**"	a condition whereby at least 90 per cent. of the amounts shown in the financial statements of the REIT Group as income profits (broadly, calculated using normal tax rules) and 100 per cent. of any property income dividends received from other UK REITs must be distributed to shareholders of the REIT in the form of a PID on or before the filing date for the REIT's tax return for the accounting period.

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