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15 February 2019

SEGRO plc

PLACING TO FUND DEVELOPMENT PROGRAMME

SEGRO plc ("**SEGRO**" or the "**Company**" or the "**Group**") today announces a placing to raise approximately £450 million of gross proceeds through the issue of new ordinary shares of 10 pence per share (the "**Placing Shares**") in the capital of the Company (the "**Placing**").

David Sleath, Chief Executive of SEGRO, said:

"Since 2016, we have deployed over £1.5 billion into development across the UK and Continental Europe which has generated a cumulative capital value uplift of over 20 per cent and £90 million of new annualised headline rent. Occupier and investment market conditions remain supportive and we continue to experience strong demand for new warehousing.

"We are on course to invest over £600 million in further development projects and additional land purchases this year. We believe using new equity alongside our existing debt facilities and the proceeds from normal course portfolio recycling will ensure that we can continue to deliver the attractive returns from development while retaining a strong balance sheet."

Highlights

- **Proposed Placing of new ordinary shares to raise approximately £450 million of gross proceeds to fund SEGRO's pipeline of development opportunities.**
- **New equity will allow the Group to take advantage of existing and new, largely pre-let, development opportunities while maintaining a strong balance sheet.**
- **Development pipeline expected to be accretive in the medium term to both earnings and net asset value per share after taking account of the impact of the Placing.**
- **Occupier market conditions remain strong, leading to good leasing momentum.** Pre-let agreements equating to £41.5 million of headline rent were signed during 2018, all of which are due to complete in 2019.
- **On track to invest over £600 million in development capex, infrastructure and land in 2019**, following £688 million invested in 2018, £507 million in 2017 and £457 million in 2016. Completions since 2016 have generated an estimated, fully-let gross yield on total development cost of approximately 8 per cent, compared to an investment valuation (net true equivalent) yield of just over 5 per cent.

- **Approximately £430 million of future development capital expenditure across the Group already agreed or in advanced discussions.** In addition to the £211 million required to complete the current development pipeline as at 31 December 2018, further potential investment of £218 million relates to development projects associated with pre-let agreements subject to planning or in advanced negotiations. Further, mostly pre-let, development projects are expected to be added to the pipeline over the coming months.
- **New land acquisitions exchanged or under discussion to sustain future development activity.** SEGRO has exchanged contracts to acquire, over the next two years, £200 million of land, subject to receipt of planning permission. In addition, it has another £70 million of land acquisitions under offer, which will enable the Group to sustain its development activity in the years ahead.
- **Pipeline largely de-risked through pre-leasing.** The current development pipeline, under construction as at 31 December 2018, is expected to generate £45.9 million of headline rent once completed and fully let, of which 73 per cent has been secured. This equates to a yield on total development cost of approximately 7 per cent. The Board intends to continue with this largely pre-let approach to development in the future.
- **Continuing focus on disciplined capital management and recycling.** £442 million of gross proceeds in 2018 from disposals of land and assets. Disposals of land and assets in 2019, including sales to the SELP joint venture, are expected to total between £150 million and £250 million.
- **Placing shares will have the right to receive the 2018 final dividend of 13.25 pence,** payable on 2 May 2019 to shareholders on the register as at 21 March 2019.

Use of the proceeds of the Placing

SEGRO is currently building, or has identified, development projects which require capital expenditure of £429 million to complete. Of this amount, £211 million has already been committed to complete the current development pipeline and a further £218 million is associated with a potential pipeline of projects where either a pre-let has been agreed subject to planning or is in advanced negotiations (the near-term development pipeline). Additional development projects are expected to be added to the pipeline over the coming months.

Current development pipeline: development projects approved or under construction

At 31 December 2018, SEGRO had development projects approved, contracted or under construction totalling 827,700 sq m, representing £211 million of future capital expenditure and £46 million of annualised gross rental income (SEGRO share) when fully let. The projects are 73 per cent let or pre-let and should yield approximately 7 per cent on total development cost when fully let. All projects are due to complete in 2019.

Approximately one-third of the potential rent from the current pipeline is associated with urban warehouse developments across the UK and Continental Europe, of which 56 per cent has been secured. These projects include three warehouses for data centre operators on the Slough Trading Estate, a 17,000 sq m urban warehouse near Heathrow Airport let to Do & Co, a new 20,000 sq m estate in north London and over 45,000 sq m of new speculatively-built warehouses in Düsseldorf, Berlin and Frankfurt.

Table 1: Current development pipeline by geography and asset type

	SEGRO share				
	Area square metres (at 100%)	Potential gross rent £m	Cost to complete £m	Rent secured £m	Rent yet to be secured £m
UK					
Urban warehousing	66,514	10.5	51.0	8.0	2.5
Big box warehousing	203,622	12.3	43.1	12.3	0.0
Other	3,647	1.0	9.6	0.8	0.2
	273,783	23.8	103.7	21.1	2.7
Continental Europe					
Urban warehousing	45,460	3.9	23.3	0.0	3.9
Big box warehousing	499,590	16.6	70.8	11.6	5.0
Other	8,903	1.6	13.6	0.7	0.9
	553,953	22.1	107.7	12.3	9.8
Total					
Urban warehousing	111,974	14.3	74.3	8.0	6.4
Big box warehousing	703,212	29.0	113.9	23.9	5.0
Other	12,550	2.6	23.2	1.5	1.1
	827,736	45.9	211.4	33.4	12.5

Near-term development pipeline: development projects associated with pre-let agreements subject to planning or in advanced negotiations expected to start in the next 6 to 12 months

At 31 December 2018, SEGRO had a potential near-term pipeline of a further 441,500 sq m of pre-let development projects, equating to £22.5 million of additional rent and £218 million of additional capital expenditure. Assuming successful conclusion of negotiations and planning applications, these projects are expected to generate a yield on total development cost of approximately 7 per cent when complete.

These projects include extensions to existing SEGRO warehouse parks in Düsseldorf and Paris, new data centres on the Slough Trading Estate and big box warehouses for major international third party logistics companies and online retailers in Italy.

Table 2: Near-term development pipeline by geography and asset type

	SEGRO share		
	Area square metres (at 100%)	Potential gross rent £m	Cost to complete £m
UK Urban warehousing	15,342	3.3	19.5
Continental Europe Big box warehousing	426,160	18.3	196.2
Other ¹	0	0.9	2.2
	441,502	22.5	217.9

¹ "Other" developments include a car park on the Slough Trading Estate and the Rail Freight Terminal at SEGRO Logistics Park East Midlands Gateway.

All of these projects involve pre-let agreements which remain conditional on the outcome of planning applications or the successful conclusion of on-going negotiations. While the Directors of SEGRO are optimistic about the prospects for these developments, there can be no guarantee that all of them will occur.

The SEGRO Board considers potential new development opportunities on an ongoing basis and expects to approve investment in further projects over the coming months utilising SEGRO's high quality, well located land bank which is capable of supporting over 2 million sq m of new warehouse space.

Land acquisitions

As at 31 December 2018, SEGRO had exchanged contracts to acquire approximately £200 million of land ideally suited to big box warehouse development in the UK and Germany. Completion will be over the next two years and is generally conditional on gaining appropriate planning permission. SEGRO has a further approximately £70 million of land acquisitions under offer.

SEGRO's land acquisitions largely involve sites which can be developed either immediately or, for larger strategic sites, as phased, multi-year projects, developed in line with levels of occupier demand. In 2018, SEGRO acquired £140 million of land, sold £70 million of surplus land (£49 million excluding profit on sale) and utilised £188 million in development starts.

Background to the Placing

Development has always been an important element of SEGRO's growth strategy. Since 1 January 2012, SEGRO has invested £2.4 billion into development capital expenditure, development land and infrastructure, and has completed 2 million sq m of new assets, generating an estimated yield on new money of approximately 11 per cent (i.e. excluding land already on the balance sheet).

Occupier demand for modern warehouse space in Europe's main urban industrial and big box logistics markets has remained strong despite political and economic uncertainties in the UK and Continental Europe. Leasing momentum has continued into 2019, with £4.6 million of additional headline rent generated from lettings of existing space, rent reviews and lease renewals since 1 January 2019 and £1.0 million of new pre-let agreements signed, partly offset by £0.5 million of rent lost from space returned.

Two-thirds of SEGRO's portfolio comprises urban warehouses concentrated in and around Europe's major cities, particularly London, Paris, Düsseldorf, Berlin and Warsaw, where supply of modern warehouse space vital to facilitating rapid "last mile" distribution is particularly constrained. The supply of big box space in the UK and Continental Europe has increased in recent months but vacancy rates remain generally low, reflecting strong demand levels and the largely pre-let nature of supply across most markets.

Capital Management

A key pillar of SEGRO's strategy is Disciplined Capital Allocation and the Company has been active over the last three years in strengthening the balance sheet and generating strong returns from its investment decisions.

Between 30 June 2016 and 31 December 2018:

- The Company has invested £1.5 billion in new development and infrastructure and in development land, and a further £0.4 billion in asset acquisitions. SEGRO's development pipeline has generated strong returns, averaging a fully-let yield on total development cost of over 8 per cent, and capital value uplifts of 22 per cent in 2018, 29 per cent in 2017 and 16 per cent in 2016.
- The Company has raised just under £0.9 billion of net new equity and generated just over £1 billion from disposals of land and assets either to its SELP joint venture or to third parties.
- The Company has refinanced a significant part of its loan book, raising €2.5 billion of new Euro-denominated debt in SEGRO (€1.4 billion) and SELP (€1.1 billion), and £750 million of sterling bonds in SEGRO. The Company's (proportionally consolidated) debt profile has improved as a result, with an average duration of 10.2 years (30 June 2016: 6.3 years), an average cost of debt of 1.9 per cent (30 June 2016: 3.4 per cent) and a loan-to-value ratio of 29 per cent (30 June 2016: 36 per cent).

Benefits of the Placing

The Placing allows SEGRO to continue to build scale in its core markets by executing its development plans, which are a key part of the Company's growth strategy. The Company believes that, once complete and let, the returns from the development pipeline will be accretive in the medium term to both earnings and net asset value per share, more than offsetting the short-term dilutive impact of the Placing.

Financial position

At 31 December 2018, Group gross debt was £2,244 million and cash and equivalents totaled £67 million, resulting in net debt of £2,177 million. Based on 31 December 2018 property values and adjusted to include SEGRO's share of joint venture interests (proportionally consolidated), the loan to value ratio was 29 per cent.

Shareholder consultation

The Company has consulted with a number of its leading shareholders regarding the rationale for the Placing and its non-pre-emptive nature ahead of this Announcement. The Board's belief that the Placing is in the best interests of shareholders and will promote the success of the Company has been strengthened by these discussions.

The proposed issue and allotment of the Placing Shares is within the existing shareholder authorities granted to the Company at its Annual General Meeting held on 19 April 2018.

Details of the Placing

Merrill Lynch International ("**BofA Merrill Lynch**") and UBS AG London Branch ("**UBS**", and together with BofA Merrill Lynch, the "**Joint Bookrunners**") are acting as Joint Bookrunners and Corporate Brokers in connection with the Placing.

The Placing is subject to the terms and conditions set out in the Appendix (which forms part of this announcement, such announcement and the Appendix together being the "**Announcement**"). The Joint Bookrunners will today commence a bookbuilding process in respect of the Placing (the "**Bookbuilding Process**"). The price per ordinary share at which the Placing Shares are to be placed (the "**Placing Price**") will be decided at the close of the Bookbuilding Process. The book will open with immediate effect following this Announcement. The timing of the closing of the book, pricing and allocations are at the discretion of the Joint Bookrunners and SEGRO. Details of the Placing Price and the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuilding Process.

The Placing Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing ordinary shares of the Company, including the right to receive all dividends and other distributions declared, made or paid after the date of issue, including the 2018 final dividend payable on 2 May 2019 to shareholders on the register as at 21 March 2019. The number of Placing Shares shall not exceed 9.9% of the current issued share capital of the Company.

Application will be made for the Placing Shares to be admitted to the premium listing segment of the Official List (the "**Official List**") of the Financial Conduct Authority (the "**FCA**") and to be admitted to trading on the main market for listed securities of the London Stock Exchange plc (the "**London Stock Exchange**") (together, "**Admission**"). Settlement for the Placing Shares and Admission is expected to take place on or before 8.00 a.m. on 19 February 2019. The Placing is conditional, among other things, upon Admission becoming effective and the placing agreement between the Company and the Joint Bookrunners (the "**Placing Agreement**") not being terminated in accordance with its terms. The

Appendix sets out further information relating to the Bookbuilding Process and the terms and conditions of the Placing.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the “Important notices” section of this Announcement.

The person responsible for arranging release of this Announcement on behalf of SEGRO is Elizabeth Blease.

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Notes to Editors

About SEGRO

SEGRO is a UK Real Estate Investment Trust (REIT), and a leading owner, manager and developer of modern warehouses and light industrial property. It owns or manages 7 million square metres of space (75 million square feet) valued at £11 billion serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in eight other European countries.

See www.SEGRO.com for further information.

IMPORTANT NOTICE

No action has been taken by the Company or the Joint Bookrunners, or any of their respective affiliates that would, or which is intended to, permit a public offer of the Placing Shares in any jurisdiction or result in the possession or distribution of this Announcement or any other offering or publicity material relating to the Placing Shares in any jurisdiction where action for that purpose is required. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Persons into whose possession this Announcement comes shall inform themselves about, and observe, such restrictions.

No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the Prospectus Directive) to be published. Persons needing advice should consult an independent financial adviser.

THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER OR INVITATION TO UNDERWRITE, BUY, SUBSCRIBE, SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SELL, ACQUIRE, DISPOSE OR SUBSCRIBE FOR THE PLACING SHARES OR ANY OTHER SECURITY IN THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA, COLLECTIVELY THE "**UNITED STATES**"), AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR IN ANY JURISDICTION IN WHICH, OR TO ANY PERSONS TO WHOM, SUCH OFFERING, SOLICITATION OR SALE WOULD BE UNLAWFUL.

The Placing Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred, directly or indirectly, in or into 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 compliance with any applicable securities laws of any state or other jurisdiction of the United States. There is no public offering of the Placing Shares in the United States.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia, Japan or South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Canada, Australia, Japan or South Africa or any other jurisdiction outside the United Kingdom or to, or for the account or benefit of any national, resident or citizen of Australia, Japan or South Africa or to any investor located or resident in Canada.

Merrill Lynch International, authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, and UBS AG London Branch, authorised and regulated by the Financial Market Supervisory Authority in Switzerland and authorised by the Prudential Regulatory Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom, are acting as Joint Bookrunners for the Company in connection with the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice to any other person in relation to the Placing and/or any other matter referred to in this Announcement.

This Announcement is being issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners nor any of their respective affiliates or agents (or any of their respective directors, officers, employees or advisers) for the contents of the information contained in this Announcement, or any other written or oral information made available to or publicly available to any interested party or its advisers, or any other statement made or purported to be made by or on behalf of either Joint Bookrunner or any of their respective Affiliates in connection with the Company, the Placing Shares or the Placing and any responsibility therefor is expressly disclaimed. The Joint Bookrunners and each of their respective Affiliates accordingly disclaim all and any liability, whether arising in tort, contract or otherwise (save as referred to above) in respect of any statements or other information contained in this Announcement and no representation or warranty, express or implied, is made by either Joint Bookrunner or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information contained in this Announcement.

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

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan" "estimate", "expect" and words of similar meaning, include all matters that are not historical facts and reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. These statements are subject to unknown risks, uncertainties and other factors that could cause actual results to differ materially

from those expressed or implied by such forward-looking statements. Statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Announcement is subject to change without notice and, except as required by applicable law, neither the Company nor the Joint Bookrunners assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement. Any indication in this announcement of the price at which Placing Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. Past performance is no guide for future performance and persons reading this Announcement should consult an independent financial adviser.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action.

In connection with the Placing, each of the Joint Bookrunners and any of their affiliates, acting as investors for their own account, may take up a portion of the shares in the Placing as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references to Placing Shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, the Joint Bookrunners and any of their affiliates acting in such capacity. In addition, the Joint Bookrunners and any of their affiliates may enter into financing arrangements (including swaps) with investors in connection with which the Joint Bookrunners and any of their respective affiliates may from time to time acquire, hold or dispose of shares. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The most recent Annual and Interim Reports of the Group and other information about the Group are available on the SEGRO website at www.segro.com/investors. Neither the contents of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

This Announcement does not constitute a recommendation concerning the Placing.

APPENDIX: TERMS AND CONDITIONS OF THE PLACING

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN ARE RESTRICTED AND ARE NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA, WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE) (THE "**PROSPECTUS DIRECTIVE**") ("**QUALIFIED INVESTORS**"); (B) (I) PERSONS IN THE UNITED KINGDOM, WHO ARE QUALIFIED INVESTORS AND WHO ARE INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**ORDER**"), OR (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (C) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED ; OR (D) "QUALIFIED INSTITUTIONAL BUYERS" (EACH A "QIB") (AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, (THE "**SECURITIES ACT**")) TO THE EXTENT THAT SUCH PERSONS ARE LOCATED IN THE UNITED STATES (ALL SUCH PERSONS IN (A), (B) (C) AND (D) TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS ANNOUNCEMENT, THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT AND THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THE SECURITIES REFERRED TO IN THIS ANNOUNCEMENT HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN OR INTO 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 COMPLIANCE WITH THE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION OF THE UNITED STATES. ANY OFFERING OF THE PLACING SHARES IN THE UNITED STATES WILL BE MADE TO A LIMITED NUMBER OF QIBS PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IN A TRANSACTION NOT INVOLVING ANY PUBLIC OFFERING. THE PLACING SHARES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN ACQUISITION OF PLACING SHARES.

Persons who are invited to and who choose to participate in the Placing, by making an oral or written offer to acquire Placing Shares, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given (the "**Placees**"), will be deemed to have read and understood this Announcement in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements and undertakings, contained in this Appendix. In particular, each such Placee represents, warrants and acknowledges that:

- a) it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

- b) it is, acquiring the Placing Shares for its own account or for an account with respect to which it exercises sole investment discretion, and that it (and any such account) is either (x) outside the United States acquiring the Placing Shares in an “offshore transaction” in accordance with Regulation S under the Securities Act (as defined above), and has not entered into any arrangement for transfer of the Placing Shares or any economic interest therein to any person in the United States or (y) a QIB purchasing the Placing Shares in the United States pursuant to an exemption from registration under the Securities Act; and
- c) if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA which has implemented the Prospectus Directive to Qualified Investors, or in circumstances in which the prior consent of the Company has been given to each such proposed offer or resale.

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

The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act. Any offering to be made in the United States will be made to a limited number of QIBs (as defined in Rule 144A under the Securities Act) pursuant to an exemption from registration under the Securities Act in a transaction not involving any public offering.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada or Japan. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Australia, Canada, Japan or South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action.

Details of the Placing Agreement and the Placing Shares

Merrill Lynch International and UBS AG London Branch (together, the “**Joint Bookrunners**”) have entered into a placing agreement (the “**Placing Agreement**”) with the Company under which they have agreed as agents for the Company to use their respective reasonable endeavours to procure Placees to take up the Placing Shares, on the terms and subject to the conditions set out therein. Following the execution of a terms of placing setting out, among other things, the final number of Placing Shares and the final Placing Price (as defined below) following completion of the Bookbuild (as defined below) (the “**Terms of Placing**”), if any such Placee defaults in paying the Placing Price in respect of any Placing Shares allotted to it, the Joint Bookrunners have severally (and not jointly or jointly and severally) agreed to subscribe for such shares, and the Company has agreed to allot or issue, as applicable, such shares to the Settlement Agent, as nominee for the Joint Bookrunners, at the Placing Price, on and subject to the terms set out in the Placing Agreement.

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

Application will be made to the Financial Conduct Authority (the “**FCA**”) for admission of the Placing Shares to the Official List of the UK Listing Authority and to London Stock Exchange plc for admission to trading of the Placing Shares on its main market for listed securities (“**Admission**”).

It is expected that Admission of the Placing Shares will become effective at or around 8:00 a.m. on 19 February 2019 and that dealings in the Placing Shares will commence at that time.

Bookbuild

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

The Joint Bookrunners and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

Participation in, and principal terms of, the Placing

- 1) The Joint Bookrunners are arranging the Placing severally and not jointly or jointly and severally as joint bookrunners and agents of the Company. Participation will only be available to persons who may lawfully be, and are, invited to participate by any of the Joint Bookrunners. Each of the Joint Bookrunners and their respective affiliates are entitled to enter bids as principal in the Bookbuild.
- 2) The Bookbuild, if successful, will establish a single price payable in respect of the Placing Shares (the “**Placing Price**”) to the Joint Bookrunners by all Placees whose bids are successful. The Placing Price and the aggregate proceeds to be raised through the Placing will be agreed between the Joint Bookrunners and the Company following completion of the Bookbuild and any discount to the market price of the Ordinary Shares will be determined in accordance with the listing rules of the UK Listing Authority. The Placing Price and the number of Placing Shares to be issued will be announced on a Regulatory Information Service following the completion of the Bookbuild.
- 3) To bid in the Bookbuild, prospective Placees should communicate their bid by telephone to their usual sales contact at one of the Joint Bookrunners. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at the Placing Price ultimately established by the Company and the Joint Bookrunners or at prices up to a price limit specified in its bid. Bids may be scaled down by the Joint Bookrunners on the basis referred to in paragraph 7 below.
- 4) The Bookbuild is expected to close no later than 4:30pm (London time) on 15 February 2019 but may be closed earlier or later at the discretion of the Joint Bookrunners. The Joint Bookrunners may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.
- 5) Each Placee’s allocation will be confirmed to Placees orally by the relevant Joint Bookrunner following the close of the Bookbuild, and a trade confirmation will be dispatched as soon as possible thereafter. The relevant Joint Bookrunner’s oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Joint Bookrunner and the Company, under which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay the relevant Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company’s corporate documents.
- 6) The Company will make a further announcement following the close of the Bookbuild detailing the number of Placing Shares to be issued and the price at which the Placing Shares have been placed.
- 7) Subject to paragraphs 3 and 4 above, the Joint Bookrunners will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares.

- 8) A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Joint Bookrunner's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Joint Bookrunner, to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee has agreed to acquire. Each Placee's obligations will be owed to the relevant Joint Bookrunner and the Company.
- 9) Except as required by law or regulation, no press release or other announcement will be made by the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
- 10) Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
- 11) All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
- 12) By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Joint Bookrunner.
- 13) To the fullest extent permissible by law, neither the Joint Bookrunners, the Company nor any of their respective directors, officers, employees, agents or affiliates shall have any responsibility or liability (whether in contract, tort or otherwise) to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither the Joint Bookrunners, the Company nor any of their respective directors, officers, employees, agents or affiliates shall have any responsibility or liability (whether in contract, tort or otherwise and including to the extent permissible by law or any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Bookrunners, their respective affiliates and the Company may agree.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Joint Bookrunners' obligations under the Placing Agreement are conditional on customary terms and conditions, including among others:

- a) the representations and warranties of the Company contained in the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date;
- b) Admission occurring not later than 8:00 a.m. London time on 19 February 2019 (the "**Closing Date**") (or such other time or date as the Company and the Joint Bookrunners may agree);
- c) the execution and delivery of the Terms of Placing;
- d) the publication of the results of the Placing on a Regulatory Information Service as soon as reasonably practicable following the execution of the Terms of Placing and in any event by 7:00 p.m. on the Business Day following the date of the Placing Agreement (or such later time or date as the Company and the Joint Bookrunners may agree); and
- e) the Placing Shares having been allotted prior to Admission.

If (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Joint Bookrunners by the respective time or date where specified (or such later time or date as the Company and the Joint Bookrunners may agree) or (ii) the Placing Agreement is

terminated in the circumstances specified below under “Right to terminate under the Placing Agreement”, the Placing will lapse and the Placees’ rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Joint Bookrunners may, in their sole discretion and upon such terms as they think fit, waive compliance by the Company with the whole or any part of any of the Company’s obligations in relation to the conditions contained in the Placing Agreement save that conditions b), d) and e) above may not be waived. Any such extension or waiver will not affect Placees’ commitments as set out in this Announcement.

None of the Joint Bookrunners, nor any of their respective directors, officers, employees, agents or affiliates shall have any liability (whether in contract, tort or otherwise) to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

Right to terminate under the Placing Agreement

The Joint Bookrunners are entitled, by notice to the Company given at any time on or prior to the Closing Date, to terminate the Placing Agreement in accordance with the terms of the Placing Agreement in certain circumstances, including a breach of the representation, warranties and undertakings of the Company contained in the Placing Agreement which the Joint Bookrunners consider to be material in the context of the Group taken as a whole, Placing and/or Admission, upon the occurrence of certain material adverse changes in the financial condition or prospects of the Group taken as a whole or in the relevant financial markets or in the event of a force majeure event.

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

By participating in the Placing, Placees agree that the exercise by any Joint Bookrunner of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of such Bookrunner and that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise and neither the Company nor the Joint Bookrunners nor any of their respective directors, officers, employees, agents or affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure to exercise.

Lock-up

The Company has undertaken to the Joint Bookrunners that, between the date of the Placing Agreement and the date which is 180 days after the Closing Date, other than in respect of, amongst other things, grants or exercises of options or share issues pursuant to terms of existing employee share schemes or the Company’s scrip dividend scheme, it will not, without the prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld or delayed), directly or indirectly offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of or otherwise transfer or dispose of any Ordinary Shares or any securities convertible into or exchangeable for Ordinary Shares or other investments representing interests in Ordinary Shares or enter into any swap or other agreement or transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of shares, whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the UKLA in relation to the Placing.

Placees’ commitments will be made solely on the basis of the information contained in this Announcement. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement and all other publicly available information previously or simultaneously published by the Company by notification to a

Regulatory Information Service or otherwise filed by the Company is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or the Joint Bookrunners or any other person and none of the Joint Bookrunners or the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Shares (ISIN: GB00B5ZN1N88) following Admission will take place within the CREST system. Subject to certain exceptions, the Joint Bookrunners and the Company reserve the right to require settlement for and delivery of the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation in accordance with the standing arrangements in place with the relevant Bookrunner stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to the Bookrunner and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with the relevant Bookrunner.

It is expected that settlement will be on 19 February 2019 in accordance with the instructions set out in the trade confirmation.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Joint Bookrunners.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Joint Bookrunners may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Joint Bookrunners' account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or other similar taxes imposed in any jurisdiction (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax.

Representations, Warranties and Further Terms

By participating in the Placing each Placee (and any person acting on such Placee's behalf):

- 1) confirms that it has the knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of purchasing the Placing Shares. It is experienced in investing in securities of this nature in the Company's sector and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain a complete loss in connection with the Placing. It has relied on its own examination and due diligence of the Company, and the terms of the Placing, including the merits and risks involved;

- 2) has: (a) made its own assessment and satisfied itself concerning legal, regulatory, tax, business and financial considerations in connection herewith to the extent it deems necessary; (b) received and read this Announcement (c) had access to review publicly available information concerning the Group that it considers necessary or appropriate and sufficient in making an investment decision; (d) reviewed such information as it believes is necessary or appropriate in connection with its subscription or purchase of the Placing Shares; and (e) has made its investment decision based solely upon its own judgement, due diligence and analysis and not upon any view expressed or information provided by or on behalf of the Joint Bookrunners;
- 3) understands and acknowledges that no offering document, listing particulars or prospectus has been or will be prepared in connection with the Placing;
- 4) understands and acknowledges that it is likely that the Company and some or all of its subsidiaries will be classified as a “passive foreign investment company” (“**PFIC**”) for US federal income tax purposes for the current taxable year and may be classified as a PFIC in one or more future taxable years, that an investment in a PFIC may have materially adverse US federal income tax consequences to persons subject to US federal income tax, and that it has sought professional advice from its own tax advisers as to the application and impact of these matters to the extent it thinks appropriate. Furthermore, it acknowledges that it is likely that elections that potentially mitigate such adverse consequences, such as the so called mark-to-market election or the qualified electing fund (QEF) election, will not be available to us in any given tax year;
- 5) understands and agrees that it may not rely on any investigation that the Joint Bookrunners or any person acting on their behalf may or may not have conducted with respect to the Company, the Group, or the Placing and the Joint Bookrunners have not made any representation to it, express or implied, with respect to the accuracy or adequacy of publicly available information concerning the Company, the merits of the Placing, the subscription or purchase of the Placing Shares, or as to the condition, financial or otherwise, of the Company, the Group, or as to any other matter relating thereto, and nothing herein shall be construed as a recommendation to it to purchase the Placing Shares. It acknowledges and understands that this Announcement and any other announcement or presentation provided to it (if any) have been prepared by the Company and no such announcement or presentation (if any) nor any other information has been prepared by the Joint Bookrunners for the purposes of the Placing or is in any way the responsibility of the Joint Bookrunners;
- 6) acknowledges and agrees that it will not hold the Joint Bookrunners, any of their associates or any person acting on their behalf responsible or liable for any misstatements in or omission from any publicly available information relating to the Group or information made available (whether in written or oral form) as part of pre-sounding discussions with investors (if relevant) relating to the Group (the “Information”) and that none of the Joint Bookrunners or any person acting on behalf of them, makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information, either at the date of this Announcement or at the closing date;
- 7) with respect to any Placing Shares offered to or purchased by it in the United States or for and on behalf of persons in the United States, it understands and agrees: (1) that it is a “qualified institutional buyer” (“**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended, (the “**Securities Act**”); (2) that the Placing Shares are being offered and sold to it in accordance with the exemption from registration under the Securities Act for transactions by an issuer not involving a public offering of securities in the United States and that the Placing Shares have not been, and will not be, registered under the Securities Act or with any State or other jurisdiction of the United States; (3) that the Placing Shares may not be reoffered, resold, pledged or otherwise transferred by it except (a) outside the United States in an offshore transaction pursuant to Rule 903 or Rule 904 of Regulation S under the Securities Act (“**Regulation S**”), (b) in the United States to a person whom the seller reasonably believes is a QIB to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A, pursuant to Rule 144A under the Securities Act, (c) pursuant to Rule 144 under the Securities Act (if available), (d) to the Company, (e) pursuant to an effective registration statement under the Securities Act, or (f) pursuant to another available exemption, if any, from registration under the Securities Act, in each case in compliance with all applicable laws; (4) that the Placing Shares are “restricted securities” as defined in Rule 144(a)(3) under the Securities Act; (5) to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Placing Shares of the foregoing

restrictions on transfer; (6) for so long as the Placing Shares are “restricted securities” (within the meaning of Rule 144(a)(3) under the Securities Act), it will segregate such Placing Shares from any other shares that it holds that are not restricted securities, shall not deposit such shares in any depository facility established or maintained by a depository bank and will only transfer such Placing Shares in accordance with this paragraph; (7) if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, each such account is a QIB, it has sole investment discretion with respect to each such account and it has full power and authority to make the acknowledgements, representations, warranties and agreements herein on behalf of each such account; (8) it is acquiring such Placing Shares for its own account (or the account of a QIB as to which it has sole investment discretion) for investment purposes and (subject to the disposition of its property being at all times within its control) not with a view to any distribution of the Placing Shares; and (9) that no representation has been made as to the availability of the exemption provided by Rule 144 or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;

- 8) if it is a person in a member state of the European Economic Area it is a "qualified investor" (as defined in the Prospectus Directive in a member state of the European Economic Area (each, a “**Relevant Member State**”) that has implemented the Prospectus Directive and, to the extent applicable, any funds on behalf of which it is acquiring the Placing Shares that are located in a Relevant Member State are each such a qualified investor. For these purposes, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU;
- 9) understands that no action has been or will be taken by any of the Company, the Joint Bookrunners or any person acting on behalf of any of the Company or the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
- 10) is entitled to purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it. Its purchase of the Placing Shares will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;
- 11) will acquire any Placing Shares purchased by it for its account or for one or more accounts as to each of which it exercises sole investment discretion and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;
- 12) understands and acknowledges that the Company, the Joint Bookrunners and their respective affiliates and others will rely upon the truth and accuracy of the representations, warranties and acknowledgements set forth herein and in this Announcement;
- 13) acknowledges and agrees that the exercise by the Joint Bookrunners of any power to grant consent to the Company to undertake a transaction which would otherwise be subject to the lock-up under the placing agreement shall be within the absolute discretion of the Joint Bookrunners (subject to the Joint Bookrunners having agreed with the Company not to withhold or delay its consent unreasonably) and that it need not make any reference to, or consult with, us and that it shall have no liability to it in connection with any such exercise of the power to grant such consent;
- 14) acknowledges and agrees that the good faith exercise or non-exercise by the Joint Bookrunners of any right of termination under the placing agreement shall be at the absolute discretion of the Joint Bookrunners, with no requirement to reference or consult with it and the Joint Bookrunners shall have no liability to us in connection with the good faith exercise or non-exercise of such termination right;
- 15) acknowledges that any agreements entered into by it pursuant to these terms and conditions, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract.

The agreement to settle a Placee's acquisition of Placing Shares (and/or the acquisition by a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax is conditional on the settlement relating only to a subscription by such Placee and/or such person direct from the Company for the Placing Shares in question. Such agreement is also conditional on the Placing Shares not being subscribed for in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes (including any interest, fines or penalties) may be payable, for which neither the Company nor the Joint Bookrunners will be liable and the Placees shall indemnify the Company and the Joint Bookrunners on an after-tax basis for any such taxes paid by the Company or the Joint Bookrunners in respect of any such arrangements or dealings. If there are any such arrangements or dealings, each Placee should seek its own advice and notify the Joint Bookrunners accordingly.

In addition, Placees should note that they will be liable for any stamp duty, stamp duty reserve tax and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties) payable outside the UK by them or any other person on the acquisition of any Placing Shares or the agreement to acquire any Placing Shares.

Each Placee, and any person acting on behalf of the Placee, acknowledges that the Joint Bookrunners do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

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

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that it has neither received nor relied on any inside information concerning the Company in accepting this invitation to participate in the Placing. Each Placee undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. None of the Joint Bookrunners or the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement ("**Indemnified Taxes**").

Each Placee agrees to indemnify on an after-tax basis and hold the Company, the Joint Bookrunners and their respective directors, officers, employees, agents and affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing.

When a Placee or person acting on behalf of the Placee is dealing with a Joint Bookrunner, any money held in an account with such Joint Bookrunner on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from such Joint Bookrunner's money in accordance with the client money rules and will be used by such Joint Bookrunner in the course of its own business and the Placee will rank only as a general creditor of such Joint Bookrunner.

All times and dates in this Announcement may be subject to amendment. The Joint Bookrunners shall notify the Placees and any person acting on behalf of the Placees of any changes.

The information contained herein is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any State of the United States and the District of Columbia). These materials do not contain or constitute an offer for sale or the solicitation of an offer to purchase securities in the United States. The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States absent registration under the Securities Act or an available exemption from, or transaction not subject to, the registration requirements of the Securities Act.

Information to Distributors

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

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

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