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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

**Alpha Real Trust Limited**

("ARTL" or the "Company")

**Tender Offer for up to 16,666,771 Ordinary Shares at 175p per Ordinary Share**

A circular explaining the terms of a Tender Offer for up to 16,666,771 Ordinary Shares at 175 pence per Ordinary Share has today been posted to Shareholders (the "Circular").

Capitalised terms and expressions shall have the same meanings as those attributed to them in the Circular.

**1. Introduction**

On 8 January 2019, Ordinary Shareholders approved the Share Purchase Resolution to enable the Company to buy back up to 16,718,895 Ordinary Shares, representing a maximum of 24.99 per cent. of the Voting Share Capital as at the latest practicable date prior to the date of publication of the 2018 Circular, being 18 December 2018.

The Share Purchase Authority was expressed to be conditional on the approval given by the Panel Waiver Resolution which was also passed on 8 January 2019 and so therefore has the benefit of the Panel Waiver (see paragraph 4 below for further details).

Subsequent to 8 January 2019, the Company has realised investments including the sale of its data centre site in Frankfurt and the sale of the "Monk Bridge" residential development site in Leeds and the Company is currently targeting up to £85 million for investment in secured senior and mezzanine loans. The Company is actively repositioning its investments to deliver attractive income returns. For the medium term, the Company's returns are likely to see greater contributions from the growing senior debt and mezzanine loan portfolio and less from capital gains. Given this repositioning in the Company's portfolio, the Board believes a return of capital by way of tender offer is appropriate.

The purpose of the Circular is to explain the mechanics of the Tender Offer, to provide Qualifying Shareholders with the terms and conditions applicable to the Tender Offer and to explain how Qualifying Shareholders may tender Ordinary Shares, should they wish to do so.

The Tender Offer will be conducted at a fixed price of 175 pence per Ordinary Share, being the Tender Offer Price which represents a premium of 15.5 per cent. to the average middle market closing price

of an Ordinary Share for the 30 days prior to the Latest Practicable Date and a discount of 14.3 per cent. to the NAV per Ordinary Share as at 31 March 2019 of 204.3 pence.

## **2. Background**

Following completion of the disposal of the Company's interests in its data centre site in Frankfurt and the "Monk Bridge" residential development site in Leeds, the Company has received a total of £55.9m in proceeds from these two disposals.

The Company is currently targeting up to £85 million for investment in secured senior and mezzanine loans. The Company is actively repositioning its investments to deliver attractive income returns. For the medium term, the Company's returns are likely to see greater contributions from the growing senior debt and mezzanine loan portfolio and less from capital gains.

In light of this repositioning in the Company's portfolio and the fact that the Company's Ordinary Shares are currently trading at a discount to the net asset value of the Company (such discount being approximately 26.3 per cent. as at the Latest Practicable Date, based on the NAV per Ordinary Share as at 31 March 2019 of 204.3 pence), the Board believes that it is in the Company's interests, and in the interest of Shareholders, to provide Qualifying Shareholders who wish to realise part or all of their investment in the Company with an opportunity to access liquidity which might otherwise not be available in the market.

The Board therefore wishes the Company to make a return of capital to Qualifying Shareholders by way of a tender offer for up to 16,666,771 Ordinary Shares, representing approximately 24.85 per cent. of the Voting Share Capital.

The Board has sought to ensure that as many Shareholders as possible can participate in the return of capital whilst allowing Shareholders individually to choose whether to participate in the Tender Offer or not (without incurring disproportionate costs in making the Tender Offer to persons other than Qualifying Shareholders). Qualifying Shareholders can decide whether to tender all or any of their Ordinary Shares under the Tender Offer or to continue to hold them.

Qualifying Shareholders tendering all of their Ordinary Shares may be subject to scaling back (but not below their Basic Entitlement) and in this event they will still retain Ordinary Shares in the Company.

The Company is authorised to buy back up to 16,718,895 Ordinary Shares pursuant to the Share Purchase Authority which was approved by Shareholders on 8 January 2019 and any purchases made by the Company pursuant to that authority will benefit from the Panel Waiver which was also approved by the Independent Shareholders on 8 January 2019. Since 8 January 2019, the Company has bought back a total of 52,124 Ordinary Shares under its share buyback programme.

The Tender Offer will be financed from the Company's existing cash resources. As at 11 June 2019, the Company had cash and deposits totaling £53.3 million. The Tender Offer is conditional upon the Directors being satisfied that the Company will satisfy the solvency test as prescribed by the Companies Law. The solvency test will be satisfied if, immediately after the completion of the Tender Offer:

- the Company will be able to pay its debts as they become due; and
- the value of the Company's assets is greater than the value of its liabilities.

Following the proposed Tender Offer, your Board believes that the Company will remain in a net cash position with a strong balance sheet.

### 3. Summary information on the Tender Offer

Full details of the Tender Offer, including the terms and conditions on which it is being made, are set out in Part 4 of the Circular and, in the case of Ordinary Shares held in certificated form, on the Tender Form.

The Tender Offer is only available to Qualifying Shareholders on the register of members of the Company on the Record Date in respect of the Ordinary Shares held by them on the Record Date. Qualifying Shareholders can choose whether they wish to tender all or any of their Ordinary Shares under the Tender Offer. Qualifying Shareholders are not obliged to tender any of their Ordinary Shares if they do not wish to do so.

The Tender Offer involves the following:

- Panmure Gordon, acting as principal, has irrevocably committed to purchase up to 16,666,771 Ordinary Shares at the Tender Offer Price on and subject to the terms and conditions of the Tender Offer and to sell such tendered Ordinary Shares to the Company pursuant to the Repurchase Agreement.
- The Company will acquire all of the tendered Ordinary Shares from Panmure Gordon pursuant to the existing Share Purchase Authority and such Ordinary Shares will then be cancelled.
- 16,666,771 Ordinary Shares represent approximately 24.85 per cent. of the current Voting Share Capital of the Company (excluding Ordinary Shares held in treasury).
- All Qualifying Shareholders are being given the opportunity to participate in the Tender Offer.
- Qualifying Shareholders may tender such number of Ordinary Shares under the Tender Offer as they choose.
- Qualifying Shareholders do not have to tender any of their Ordinary Shares if they do not wish to do so.
- All Ordinary Shares tendered by any Qualifying Shareholder up to their Basic Entitlement (which represents such Qualifying Shareholder's *pro rata* share of the maximum number of Ordinary Shares to be acquired under the Tender Offer) will be accepted in full on and subject to the terms and conditions of the Tender Offer set out in Part 4 of the Circular and, in the case of Ordinary Shares held in certificated form, the Tender Form.
- Each Qualifying Shareholder's Basic Entitlement will be calculated by the Registrars as at the Record Date by reference to the Qualifying Shareholder's holding of Ordinary Shares as at that date.
- If the number of Ordinary Shares validly tendered is 16,666,771 or less, all such Ordinary Shares will be purchased under the Tender Offer on and subject to the terms and conditions of the Tender Offer set out in Part 4 of the Circular.
- If the number of Ordinary Shares validly tendered is more than 16,666,771, tenders will be accepted in the order set out below:
  - a) all Ordinary Shares tendered by Qualifying Shareholders up to their Basic Entitlement will be accepted in full; and
  - b) tenders of Ordinary Shares in excess of the Qualifying Shareholders' Basic Entitlements will be satisfied *pro rata* in proportion to the amount tendered in excess of Basic

Entitlements (rounded down to the nearest whole number of Ordinary Shares) or otherwise at the discretion of Panmure Gordon, in consultation with the Board.

- Ordinary Shares will be purchased without commissions and dealing charges.
- Qualifying Shareholders are able to tender their Ordinary Shares until 3.00 p.m. on the closing date of the Tender Offer, which is 5 July 2019. In order to participate in the Tender Offer:
  - Qualifying Shareholders holding Ordinary Shares in certificated form as at the Record Date must return the accompanying personalised Tender Form together with any share certificate(s) and/or other document(s) of title in accordance with the instructions set out on the Tender Form by 3.00 p.m. on 5 July 2019; and
  - Qualifying Shareholders holding Ordinary Shares in uncertificated form (that is, in CREST) are directed to paragraph 3.2 of Part 4 of the Circular which details specific procedures for those holders.

Qualifying Shareholders who choose not to participate in the Tender Offer and who therefore do not tender their Ordinary Shares will not receive any cash proceeds in respect of their Ordinary Shares under the Tender Offer but will benefit from owning a greater percentage of the Voting Share Capital as there will be fewer Ordinary Shares in issue after completion of the Tender Offer and the subsequent repurchase of the tendered Ordinary Shares by the Company pursuant to the Repurchase Agreement.

Ordinary Shares may be traded in the normal way during the period in which the Tender Offer remains open, but Qualifying Shareholders should note that, once tendered, their Ordinary Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

The purchase from Qualifying Shareholders and the subsequent sale of the tendered Ordinary Shares to the Company will be effected by Panmure Gordon, as principal, "On Exchange" in accordance with the Rules of the London Stock Exchange.

The Tender Offer is only available to Qualifying Shareholders and is not available to Shareholders in Australia, Canada, Japan, the Republic of South Africa or the United States of America or to Shareholders who are otherwise within a Restricted Territory.

Any rights of Qualifying Shareholders who choose not to tender their Ordinary Shares will be unaffected by the Tender Offer.

The Directors reserve the right, at any time prior to the announcement that the Tender Offer has become unconditional in all respects, to decline from proceeding with the Tender Offer if they conclude that its implementation is no longer in the interests of the Company and/or Shareholders as a whole.

Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in Part 4 of the Circular.

#### **4. The City Code and the Panel Rule 9 Waiver**

Under Rule 9 of the City Code (Rule 9) any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons

acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or any person, together with persons acting in concert with him, is interested in shares which in the 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 and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, such person shall extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of security whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

An offer under Rule 9 must be in cash and at the highest price paid within the twelve months prior to the announcement of the offer for any interest in shares in the Company by the person required to make the offer or any person acting in concert with him.

Under the City Code, the partners in ARC are deemed to be acting in concert with ARC.

The aggregate shareholding of ARC and the ARC Concert Parties in the Company as at the Latest Practicable Date was 27,017,855 Ordinary Shares, being approximately 40.3 per cent. of the Voting Share Capital as set out in the table below. The table below also sets out details of the maximum number of Ordinary Shares and the percentage of Voting Share Capital of the Company which would be held by ARC and the ARC Concert Parties were the maximum number of Ordinary Shares to be tendered under the Tender Offer and subsequently repurchased by the Company from Panmure Gordon, assuming that neither ARC nor any of the ARC Concert Parties tender any of their Ordinary Shares under the Tender Offer:

Shareholder	As at the Latest Practicable Date		In the event the Tender Offer is fully taken up	
	Number of Ordinary Shares	% of Voting Share Capital	Number of Ordinary Shares	% of Voting Share Capital of the Company
ARC	22,661,980	33.8	22,661,980	45.0
ARC Concert Parties	4,355,875	6.5	4,355,875	8.6
<b>Total</b>	<b>27,017,855</b>	<b>40.3</b>	<b>27,017,855</b>	<b>53.6</b>

In such a scenario, ARC and the ARC Concert Parties would be able to block and pass ordinary resolutions of the Company as they would control in excess of 50 per cent. of the voting rights of the Company; and, for so long as they continue to be treated as acting in concert may accordingly increase their aggregate interest in Voting Share Capital without incurring any obligation under Rule 9 to make a general offer.

The Panel agreed in December 2018 to waive the obligation to make a general offer that would otherwise arise as a result of any exercise of the Share Purchase Authority, and this was approved by the Shareholders (other than ARC and the ARC Concert Parties who, in accordance with the City Code, did not vote on Panel Waiver Resolution) on 8 January 2019. Accordingly, any increase in the percentage of Voting Share Capital held by ARC and the ARC Concert Parties as a result of the implementation of the Tender Offer and the subsequent repurchase of the tendered Ordinary Shares by the Company will not require ARC and the ARC Concert Parties to make an Offer under Rule 9 in continuing reliance on the Panel Waiver.

Further information on ARC and the ARC Concert Parties can be found in paragraph 3 of Part 6 of the Circular.

## 5. Dividends

Successfully tendered Ordinary Shares will be cancelled and will not rank for any future dividends.

## 6. Tax

A guide to certain UK tax consequences of the Tender Offer for Shareholders under UK law and HMRC practice is set out in Part 5 of the Circular.

Qualifying Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult a professional adviser.

## 7. Overseas Shareholders

The attention of Shareholders who are not resident in the United Kingdom is drawn to paragraph 9 of Part 4 of the Circular headed "Restricted Shareholders and other Overseas Shareholders".

## 8. Recommendation

**The Board is making no recommendation to Qualifying Shareholders in relation to participation in the Tender Offer. Whether or not Qualifying Shareholders decide to tender all or any of their Ordinary Shares will depend, among other things, on their view of the Company's prospects and their own individual circumstances, including their tax position. Qualifying Shareholders are recommended to consult their duly authorised independent advisers and make their own decision.**

None of the Directors nor any of the ARC Concert Parties intends to tender any of their Ordinary Shares pursuant to the Tender Offer.

**If you are in any doubt about the contents of the Circular or the action you should take, you should seek your own independent financial or legal advice immediately.**

## 9. Expected Timetable of Principal Events

The expected timetable for the Tender Offer is as follows:

Latest time and date for receipt of Tender Forms or for settlement of TTE Instructions in respect of the Tender Offer	3.00 p.m. on 5 July 2019
Record Date for participation in the Tender Offer	6.00 p.m. on 5 July 2019
Results of the Tender Offer announced	8 July 2019
Settlement date: cheques despatched and CREST accounts credited with proceeds in respect of successfully tendered Ordinary Shares	from 12 July 2019

Balancing certificates despatched and CREST  
accounts credited in respect of unsold Ordinary  
Shares

week commencing 15 July

Capitalised terms and expressions shall have the same meanings as those attributed to them in the Circular.

A copy of the Circular will shortly be available for inspection on the National Storage Mechanism at <http://www.morningstar.co.uk/uk/NSM> and is available for download from the Company's website <http://www.alpharealtrustlimited.com/>.

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