

Regulatory Story

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Thalassa Holdings Limited - THAL Firm Offer for The Local Shopping REIT
Released 14:30 06-Feb-2019

RNS Number : 2853P
Thalassa Holdings Limited
06 February 2019

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014.

FOR IMMEDIATE RELEASE

6 February 2019

FIRM OFFER BY
THALASSA HOLDINGS LTD
FOR
THE LOCAL SHOPPING REIT PLC

Summary

- Further to its announcement of 9 January 2019, the board of Directors of Thalassa Holdings Ltd ("**Thalassa**") is pleased to announce the terms of an offer to be made by Thalassa for the whole of the issued and to issued share capital of The Local Shopping REIT plc ("**LSR**") (other than the 21,021,277 LSR Shares already held by Thalassa, representing approximately 25.5 per cent. of LSR's current entire issued share capital) (the "**Offer**").
- The Offer, which will be subject to the satisfaction (or waiver, if permitted) of the Conditions set out in Appendix 1, to the certain further terms set out in Appendix 1, and to the full terms and conditions which will be set out in the Offer Document and the accompanying Form of Acceptance, will be made on the following basis:

For each Offer Share:

14.64 pence in cash

0.26 Thalassa Consideration Shares

- Accordingly, Thalassa will be offering a total of £9.0 million in cash and approximately 16,000,000 Thalassa Consideration Shares in consideration for the Offer Shares (being the 61,484,576 LSR Shares not already held by Thalassa).
- The Offer will also include a Mix and Match Facility which will allow LSR Shareholders to elect to vary the proportion in which they receive cash and Thalassa Consideration Shares in respect of their Offer Shares. The final mix of consideration which will be received by accepting LSR Shareholders under the Mix and Match Facility will therefore depend on the elections made under the Mix and Match Facility. However, LSR Shareholders should note that elections made under the Mix and Match Facility will not result in an increase in either the total number of Thalassa Consideration Shares being issued or the maximum aggregate amount of cash being paid under the Offer, each of which will not be varied.
- Based on the Proforma NAV per Thalassa Share of approximately 105.2 pence (the calculation of which is set out in Appendix 2), the Offer implies a proforma NAV per Offer Share of approximately 42.0 pence per share, representing a premium of approximately 25.0 per cent. to LSR's audited NAV per share as at 30 September 2018 (being 33.6 pence per share).
- Based on the Closing Price of a Thalassa Share of 70 pence per Thalassa Share on 5 February 2019 (being the last Business Day before the date of this Announcement) the Offer values the Offer Shares at approximately 32.8 pence per Offer Share, representing a premium of approximately 17.1 per cent. to the Closing Price of a LSR Share of 28 pence at the close of business on 8 January 2019, being the last Business Day before Thalassa announced a possible offer for LSR.

Commenting on the Offer, Duncan Soukup, Executive Chairman of Thalassa said:

"I believe that the Offer represents excellent value for LSR Shareholders who have seen the NAV per LSR Share decline since 30 September 2008 by approximately 70 per cent. In contrast, in challenging oil and gas markets, the Thalassa Board have increased Thalassa's NAV per Thalassa Share on a sterling basis by approximately 204 per cent. since 31 December 2008.

As a LSR Shareholder, we too have seen the book value of our investment decline by approximately 28 per cent. since we purchased our initial shareholding in LSR on 9 September 2016. This is to some extent due to a declining property market but also, in the Thalassa Board's opinion, in large part due to a cost structure which is clearly excessive in comparison to an ever-diminishing revenue stream that has existed within LSR during the past five years. In the Thalassa Board's opinion, this has only benefitted the various layers of advisers to LSR and achieved little other than the destruction of value for LSR Shareholders.

The LSR Board's Members' Voluntary Liquidation ("MVL") proposal did not appeal to us as an approach that would deliver the value for a LSR Shareholder that I believe can be extracted from LSR's assets. As LSR's largest shareholder, we believed it would have cost more and taken longer than expected and resulted in further value erosion.

I am mindful that a number of LSR Shareholders would like to cash-out at this point and therefore cash is put forward as a significant proportion of the overall consideration for a LSR Shareholder. The Offer will also contain a mix and match facility allowing LSR Shareholders the potential opportunity to vary the proportion of cash and Thalassa Consideration Shares that they may receive under the Offer.

With regards to the future, Thalassa is a holding company and seeks to buy participation or control of undervalued businesses and then work with management to enhance that value. Thalassa has a clear strategy for the future and a successful management team with a track record of delivering shareholder value even in the more challenging economic conditions.

We believe this Offer affords all LSR Shareholders the opportunity of a certain exit for their investment in LSR at a compelling valuation and to either receive in return the potential mixture of cash and Thalassa Consideration Shares, and, depending on the level of valid acceptances received, a full cash exit."

The full terms of the Offer will be set out in the Offer Document, the Thalassa Prospectus and the Form of Acceptance. Relevant documentation is expected to be sent (or made available on the Thalassa website) to Eligible LSR Shareholders and, for information purposes, to persons with information rights. In deciding whether or not to accept the Offer in respect of their LSR Shares, LSR Shareholders should consider the information contained in, and the procedures described in, such documentation.

This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including the Appendices). The Offer will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Offer Document, the Thalassa Prospectus and the Form of Acceptance. Appendix 2 contains sources and bases of certain information contained in this Announcement. Appendix 3 contains the definitions and certain terms used in this Announcement.

Copies of this Announcement will be made available on Thalassa's website (www.thalassaholdingsltd.com).

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Important notices relating to financial advisers

finnCap, which is authorised by and regulated in the United Kingdom by the FCA, is acting exclusively for Thalassa and no one else in connection with the Offer and will not be responsible to anyone other than Thalassa for providing the protections afforded to its clients or for providing advice in relation to the Offer or any other matters referred to in this Announcement.

Further information

This Announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities of Thalassa pursuant to the Offer in any jurisdiction in contravention of applicable laws. The Offer will be implemented solely pursuant to the terms of the Offer Document and the accompanying Form of Acceptance which will contain the full terms and conditions of the Offer, including details of how to accept the Offer. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Offer Document, the Thalassa Prospectus and the Form of Acceptance.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Thalassa will publish a prospectus or equivalent document containing information on the Thalassa Consideration Shares and the Enlarged Group as well as the Offer Document. Thalassa urges LSR Shareholders to read the Offer Document, the Thalassa Prospectus and the Form of Acceptance carefully when they become available because they will contain important information in relation to the Offer, the Thalassa Consideration Shares and the Enlarged Group. Any decision by LSR

Shareholders in respect of the Offer should be made only on the basis of the information contained in the Offer Document, the Thalassa Prospectus and the Form of Acceptance.

Information relating to LSR Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by LSR Shareholders, persons with information rights and other relevant persons for the receipt of communications from LSR may be provided to Thalassa during the Offer Period as required under Section 4 of Appendix 4 of the City Code.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to accept the Offer or to execute and deliver the Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located.

This Announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Thalassa or required by the City Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any use, means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction including the United States or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities. Accordingly, copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction.

The availability of the Offer to LSR Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements.

Further details in relation to LSR Shareholders in overseas jurisdictions will be contained in the Offer Document.

Additional US information

The Offer relates to the shares of a UK company and is subject to UK procedural and disclosure requirements that are different from certain of those of the US. Any financial statements or other financial information included in this Announcement may have been prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. It may be difficult for US holders of shares to enforce their rights and any claims they may have arising under the US federal securities laws in connection with the Offer, since Thalassa and LSR are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the United States. US holders of shares in Thalassa or LSR may not be able to sue Thalassa, LSR or their respective officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel Thalassa, LSR and their respective affiliates to subject themselves to the jurisdiction or judgment of a US court.

It is intended that the Offer will be implemented by way of a takeover offer under English law.

This Announcement does not constitute an offer of securities for sale in the US. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Thalassa does not intend to make a public offering of securities in the US, but if undertaken any such public offering would need to be made by means of a prospectus that would contain detailed information about the company and management, as well as financial statements. No offer to acquire

securities or to exchange securities for other securities has been made, or will be made, directly or indirectly, in or into, or by use of the mails, any means or instrumentality of interstate or foreign commerce or any facilities of a national securities exchange of, the US or any other country in which such offer may not be made other than (i) in accordance with the US Securities Act, as amended, or the securities laws of such other country, as the case may be, or (ii) pursuant to an available exemption from such requirements. In particular, Thalassa Consideration Shares will only be made available in the United States to qualified institutional buyers (as defined in Rule 144A under the US Securities Act) or accredited investors (as defined in Rule 501(a) under the US Securities Act) in transactions that are exempt from the registration requirements of the US Securities Act. Such shareholders will be required to make such acknowledgements and representations to, and agreements with, Thalassa as Thalassa may require to establish that they are entitled to receive Thalassa Consideration Shares.

Nothing in this Announcement shall be deemed an acknowledgement that any SEC filing is required or that an offer requiring registration under the US Securities Act may ever occur in connection with the Offer.

The Thalassa Consideration Shares have not been, and will not be, registered under the securities laws of any state or jurisdiction in the United States and, accordingly, will only be issued to the extent that exemptions from the registration or qualification requirements of state "blue sky" securities laws are available or such registration or qualification requirements have been complied with.

Cautionary note regarding forward looking statements

This Announcement contains certain forward looking statements with respect to the financial condition, results of operations and businesses of Thalassa and LSR and their respective groups, and certain plans and objectives of Thalassa with respect to the Enlarged Group. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements. Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward looking statements include, among other things, statements concerning the potential exposure of Thalassa, the Thalassa Group, LSR, the LSR Group and/or the Enlarged Group to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions, including as to future potential cost savings, synergies, earnings, cash flow, return on average capital employed, production and prospects. These forward looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "risks", "seek", "should", "target", "will" and similar terms and phrases.

There are a number of factors that could affect the future operations of Thalassa, the Thalassa Group, LSR, the LSR Group and/or the Enlarged Group and that could cause results to differ materially from those expressed in the forward looking statements included in this Announcement, including (without limitation): (a) changes in demand for Thalassa's and/or LSR's assets; (b) currency fluctuations; (c) the value of the underlying assets held by Thalassa and/or LSR; (d) risks associated with the identification of suitable potential acquisition assets and targets, and successful negotiation and completion of such transactions; and (e) changes in trading conditions.

All forward looking statements contained in this Announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward looking statements. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Thalassa Group or the LSR Group, refer to the annual report and accounts of the Thalassa Group for the financial year ended 31 December 2017 and the interim results for the six months ended 30 June 2018 and of the LSR Group for the financial year ended 30 September 2018, respectively.

Each forward looking statement speaks only as of the date of this Announcement. Neither Thalassa nor the Thalassa Group undertakes any obligation to publicly update or revise any forward looking statement as a result of new information, future events or otherwise, except to the extent legally required. In light of these risks, results could differ materially from those stated, implied or inferred from the forward looking statements contained in this Announcement.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables or forms may vary slightly and figures shown as totals in certain tables or forms may not be an arithmetic aggregation of the figures that precede them.

No forecasts or estimates

No statement in this Announcement is intended as a profit forecast, estimate or quantified financial benefits statement for any period and no statement in this Announcement should be interpreted to mean that cash flow from operations, free cash flow, earnings or earnings per share for Thalassa, LSR or the Enlarged Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, free cash flow, earnings or earnings per share for Thalassa or LSR as appropriate.

Disclosure requirements of the City Code

Under Rule 8.3(a) of the City Code, any person who is interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to midnight on the day before the deadline for making an Opening Position Disclosure must instead make a dealing disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a dealing disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A dealing disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 and have not changed. A dealing disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and dealing disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the City Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and dealing disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a dealing disclosure.

For the purpose of this section (*Disclosure requirements of the City Code*) and the following section (*Publication on website and availability of hard copies*) of this Announcement, "Business Day" means a day on which the London Stock Exchange is open for the transaction of business.

Publication on website and availability of hard copies

A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Thalassa's website www.thalassaholdingsltd.com by no later than 12 noon (London time) on the Business Day following the date of this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Thalassa Shareholders and LSR Shareholders may request a hard copy of this Announcement by contacting finnCap on +44 20 7220 0500.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are located in the UK or, if you are located outside the UK, from an appropriately authorised independent financial adviser.

LEI number of Thalassa Holdings Ltd: 2138002739WFQPLBEQ42.

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FOR IMMEDIATE RELEASE

6 February 2019

FIRM OFFER BY
THALASSA HOLDINGS LTD
FOR
THE LOCAL SHOPPING REIT PLC

1. Introduction

Further to its announcement of 9 January 2019, Thalassa Holdings Ltd ("**Thalassa**") is pleased to announce the terms of an offer to acquire the entire issued and to be issued share capital of The Local Shopping REIT plc ("**LSR**") other than the 21,021,277 LSR Shares already owned by Thalassa (approximately 25.5 per cent. of LSR's current entire issued share capital) (the "**Offer**").

2. The Offer

The Offer, which will be subject to the satisfaction (or waiver, if permitted) of the Conditions set out in Appendix 1, to the certain further terms set out in Appendix 1, and to the full terms and conditions which will be set out in the Offer Document and the accompanying Form of Acceptance, will be made on the following basis:

For each Offer Share: 14.64 pence in cash

and

0.26 Thalassa Consideration Shares

Thalassa will therefore be offering a total of £9.0 million in cash and approximately 16,000,000 Thalassa Consideration Shares in consideration for the Offer Shares. The Offer will contain a Mix and Match Facility which will allow LSR Shareholders to elect to vary the proportion in which they receive cash and Thalassa Consideration Shares in respect of their Offer Shares, further details of which are set out below.

Based on the Proforma NAV per Thalassa Share of approximately 105.2 pence per Thalassa Share (the calculation of which is set out in Appendix 2), the Offer implies a proforma NAV per Offer Share of approximately 42.0 pence per share. Based on the Closing Price of a Thalassa Share of 70 pence per

Thalassa Share on 5 February 2019 (being the last Business Day before the date of this Announcement) the Offer values the Offer Shares at approximately 32.8 pence per Offer Share.

On the basis of either the Closing Price of a Thalassa Share on 5 February 2019 (being the last Business Day prior to this Announcement) or the Proforma NAV per Thalassa Share, Thalassa's Offer will provide LSR Shareholders the following premium:

Reference NAV	Premium based on the Proforma NAV per Thalassa Share (%)
Audited NAV per LSR Share of 33.6p as at 30 September 2018, being the date of the last published audited accounts of LSR	25.0%
Reference price	Premium based on the Closing Price of a Thalassa Share on 5 February 2019 (%)
Closing Price of 28.6 pence per LSR Share on 5 February 2019, being the last Business Day prior to this Announcement	14.7%
Closing Price of 28 pence per LSR Share on 8 January 2019 (being the last Business Day before commencement of the Offer Period)	17.1%
Six-month average price per LSR Share of 29.9 pence (being the average Closing Price for the six-month period ended on 5 February 2019 being the last Business Day prior to this Announcement)	9.7%
Projected initial cash distribution of 26.7 pence per LSR Share set out in the LSR Notice of General Meeting dated 16 November 2018	22.8%

If, after the date of this Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the LSR Shares, Thalassa reserves the right to reduce the Offer Consideration by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared or paid, in which case any reference in this Announcement or the Offer Document to the Offer Consideration for the Offer Shares will be deemed to be a reference to the offer consideration as so reduced.

Thalassa generally reserves the right to amend the terms of the Offer and accordingly extend the timetable for its acceptance by LSR Shareholders in accordance with the requirements for doing so as set out in the Code.

The Thalassa Consideration Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Thalassa Shares in issue at the time the Thalassa Consideration Shares are issued pursuant to the Offer, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date.

3. The Mix and Match Facility

LSR Shareholders will be entitled to elect to vary the proportions in which they receive the cash and Thalassa Consideration Shares in respect of their shareholdings in LSR. The final mix of consideration which will be received by accepting LSR Shareholders under the Mix and Match Facility will therefore depend on the elections made under the Mix and Match Facility. However, LSR Shareholders should note that elections made under the Mix and Match Facility will not result in an increase in either the total number of Thalassa Consideration Shares being issued or the maximum amount of cash consideration being paid under the Offer, each of which will not be varied. Accordingly, elections made by LSR Shareholders under the Mix and Match Facility will be satisfied only to the extent that other LSR Shareholders make off-setting elections.

To the extent that elections under the Mix and Match Facility cannot be satisfied in full, they will be scaled down on a pro-rata basis. As a result, LSR Shareholders who make an election under the Mix and Match Facility to vary their mix of Offer Consideration will not know the exact number of Thalassa Consideration Shares or the amount of cash they will receive until settlement of the consideration due to them in respect of the Offer.

Elections under the Mix and Match Facility will not affect the entitlements of those accepting LSR Shareholders who do not make such elections.

Further details in relation to the Mix and Match Facility will be contained in the Offer Document and the Form of Acceptance.

4. Background to and reasons for the Offer

Thalassa has clearly stated that it does not agree with the LSR Board's strategy of pursuing a liquidation or winding-up of LSR. Thalassa has both publicly and privately raised its concerns about the execution and open-ended cost of the proposed liquidation of LSR's assets.

In that regard, Thalassa observes that:

- despite an objective of "maximising the returns from the residual property portfolio through sound asset management", the NAV per share of LSR has fallen from 159 pence as at 30 September 2007 to 33.6 pence as at 30 September 2018; and
- LSR's public statement on 11 October 2018 as to the value LSR Shareholders might receive through a liquidation process stated that the estimated "net realisable value" ("NRV") of the LSR Shares "will be between 33.0 and 34.5 pence per share". This estimate from the Board of LSR was subsequently caveated in the results announcement for the year ended 30 September 2018, announced on 10 December 2018, which noted that any "distribution is likely to be at the lower end of that range".

Despite references in its announcement of 12 December 2018 to "actively considering proposals for enhancing and distributing value through other strategies", the LSR Board has yet to put forward any such alternative strategies.

The investment and performance record of Thalassa, under the leadership of Duncan Soukup, contrasts starkly with that of LSR. The NAV per Thalassa Share has increased by approximately 204 per cent. on a sterling basis since 31 December 2008.

The Thalassa Board have a long-term track record of successfully deploying capital and believe that the combination of the businesses of Thalassa and LSR will add scale to Thalassa's value acquisition investment strategy.

Thalassa believes that superior value from LSR's assets can be achieved by pursuing an alternative strategy described below, driven by a strengthened management team with a significant vested interest, mindful of creating shareholder value and benefitting from the enhanced scale that will come from a combination of Thalassa and LSR.

Thalassa is aware that a significant proportion of LSR Shareholders wish to exit their investment in LSR, either in whole or in part. Against this backdrop, Thalassa has decided proactively to address these concerns and protect its investment in LSR from further value erosion by making this Offer. The Thalassa Board believe the Offer represents an attractive opportunity for LSR Shareholders to exit their investment in LSR. The Offer provides LSR Shareholders the certainty to realise part of their shareholding in LSR for cash, with a Mix and Match Facility to allow a LSR shareholder to elect to potentially increase the proportion of cash received pursuant to the Offer (subject to off-setting elections for Thalassa Consideration Shares by other LSR shareholders). Equally, the Thalassa Board view the Thalassa Consideration Shares as providing an opportunity for LSR Shareholders to maintain an interest in the future of the combined businesses and the Thalassa team's track record of delivering shareholder value.

5. No access to LSR's non-public information

Thalassa and its advisers have not had access to LSR's non-public information or documentation and accordingly have been unable to perform any due diligence on such information or documentation. All information relating to LSR and the LSR Group has been sourced from publicly available information and has not been subject to comment or verification by LSR or the LSR Board.

6. Information relating to LSR

LSR is a Real Estate Investment Trust invested in a portfolio principally comprising local shopping assets in urban and suburban centres throughout the UK. LSR was founded in January 2005 with the objective of building a portfolio of properties and letting units in the convenience shopping market. LSR was floated on the London Stock Exchange in May 2007 and its ordinary shares are listed on the

premium listing segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities.

In the latter part of 2007, LSR adjusted its property purchasing programme in response to the downturn in the UK property market, focusing activities on active asset management. From 2009, LSR developed its asset management proposition and established a number of joint ventures to complement its wholly-owned portfolio. In July 2013, following a strategic review, LSR's shareholders resolved to change the LSR's investment policy to enable the orderly liquidation of assets, the repayment of debt and the return of the remaining capital to shareholders and appointed PrinREE to manage this process.

On 11 October 2018, LSR announced a potential NRV in liquidation to its shareholders of between 33 and 34.5 pence per share. Although unaudited, these figures represented a professional liquidator's view of NRV for LSR. On 16 November 2018, LSR published a circular and notice convening a general meeting held on 12 December 2018 to consider a resolution that LSR should enter into a solvent MVL. On 12 December 2018, the resolution to approve the MVL was not approved, with Thalassa voting against such proposals.

For the year ended 30 September 2018, LSR made a loss for the year of £7.3 million on an IFRS basis with LSR's portfolio of assets being valued at £22.3 million. LSR's net asset value as at 30 September 2018 was £27.7 million having been £34.8 million as at 30 September 2017.

7. Information relating to Thalassa

Thalassa was incorporated on 26 September 2007 in the British Virgin Islands and was admitted to trading on AIM on 29 July 2008. On 6 February 2019, the Existing Thalassa Shares were listed on the standard listing segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities. At the same time, Thalassa cancelled the trading of the Existing Thalassa Shares on AIM.

Thalassa's strategy, as approved by a shareholder resolution dated 23 April 2009, is to identify, acquire, integrate and develop businesses which the Directors consider to have potential for capital appreciation. Thalassa has successfully delivered on this strategy, most recently completing the disposal of the business and assets of the WGP Group Limited. The Thalassa Board has overseen an increase in NAV per Thalassa Share of approximately 204 per cent. since 31 December 2008 on a sterling basis.

Thalassa's principal place of business in the United Kingdom is in Warminster, Wiltshire. Its current investments are:

- 100 per cent. of Autonomous Robotics Limited ("ARL") a technology company which is next generation ocean bottom sensing and data acquisition technology using autonomous underwater vehicles; and
- 21,021,277 LSR Shares, representing approximately 25.5 per cent. of LSR's voting rights.

Thalassa first invested in LSR on 9 September 2016 and currently holds 21,021,277 LSR Shares, representing approximately 25.5 per cent. of LSR's voting rights.

8. Intentions of Thalassa with regard to LSR's business, employees, pension scheme and share options

Thalassa has not been provided with access to LSR's management or internal LSR data and therefore has only been able to undertake diligence from publicly available information. Accordingly, Thalassa has not been able to undertake any substantial analysis in order to formulate detailed plans or intentions regarding the impact of the Offer on the LSR business.

Notwithstanding this lack of access, the Thalassa Board questions the benefit of incurring the unnecessary cost of a liquidation of LSR. Upon the Offer becoming or being declared unconditional in all respects, opportunities to enhance shareholder value, either from the existing assets or a corporate action that can be concluded in a timely and efficient manner will be taken into consideration. These could include, for example, potential acquisitions either in the property market to benefit from the existing REIT structure or some other industry if no property business could be found. Cash in excess of that required by the relaunched property or other business would be invested in line with Thalassa's stated strategy.

As soon as practicable following the Offer becoming or being declared unconditional in all respects, Thalassa intends to, subject to LSR Shareholders' approval if required, effect the following changes:

- review all contractual arrangements of LSR with a view to minimising costs, including but not limited to cancellation or renegotiation of existing contracts as necessary;
- review the status of the planned sale of LSR's investment portfolio (being its sole fixed assets) with a view to concluding, in light of poor real estate market conditions, whether their realisation at this time is in the best interests of LSR;
- to seek the resignation of each existing LSR Director and the appointment of Thalassa nominees as directors of LSR, with further appointments of qualified independent directors to follow as necessary. Thalassa also confirms that it has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with the directors of LSR; and
- review and potentially amend the investment strategy of LSR as necessary, dependent upon the new Board's ability to identify and execute a reverse takeover transaction to unlock the latent value of the existing REIT structure, which will be executed and managed without expensive external consultants or investment advisers. To this end Thalassa agrees to waive all management and advisory fees, including director's fees for any Thalassa representatives until such time as a new strategy has been successfully implemented.

Thalassa also makes the following further statements of intention in accordance with Rule 24.2 of the Code:

- LSR has no employees and consequently Thalassa has no intention to make changes regarding the continuing employment, balance of skills and functions, and places of business of LSR's employees;
- LSR has, in of itself, no place of business other than that occupied by its portfolio manager, PrinREE. In the short-term, in order to reduce costs to a minimum, Thalassa intends that LSR be managed from Thalassa's Wiltshire offices;
- as far as Thalassa is aware, LSR does not maintain any pension schemes and accordingly Thalassa has no intentions in this regard; and
- LSR has no R&D function and accordingly Thalassa has no intentions in this regard.

Save as stated above, the Thalassa Board does not currently envisage any other changes in relation to any redeployment of LSR's existing material fixed assets.

Thalassa understands from LSR that all outstanding options under the LSR Share Schemes have been exercised and the relevant option holders have each been issued with the resulting number of LSR Shares

9. Impact of Offer on Thalassa

Thalassa does not believe that the Offer will lead to a change in its own strategy, being to make investments across industries and market sectors where, in the opinion of the Thalassa Board, compelling opportunities present themselves. The Offer will not have an impact on the continued employment of Thalassa's employees and management of Thalassa or of its subsidiaries, Thalassa's headquarters and headquarter functions and it is not expected that the Offer will lead to changes to the conditions of employment or in the balance of the skills and functions of Thalassa employees and management.

Thalassa currently has one R&D business, ARL, which is in late stage pre-production development. Thalassa's strategy is to fund ARL through "proof of concept" and then seek external development capital to assist in the further development and production of a commercial product. As LSR has no R&D function, the Offer will have no effect on the R&D function of Thalassa.

The Thalassa Board does not anticipate any changes to the locations of Thalassa's places of business as a result of the Offer.

The impact of Thalassa's earnings as a result of the Offer will be dependent on the future value of the assets held by LSR as any movement in fair value will be carried through Thalassa's income statement. The Offer will result in Thalassa's consolidated balance sheet being increased by an amount equal to the fair value of the net assets acquired in LSR less the carrying value of the investment in LSR prior to the Offer and increased by the goodwill on acquisition accounted for in accordance with IFRS 3 (step acquisition). In addition, Thalassa's consolidated assets would also be decreased to reflect the cash used to fund the Offer.

As a result of the Offer, Thalassa will be undertaking a reverse takeover for the purposes of the Listing Rules. In making the Offer, Thalassa does not intend to change its own listing category. Accordingly, Thalassa will need to re-confirm its eligibility for standard listing pursuant to Listing Rule 5.6.23(G) in light of the Offer. The UKLA is responsible for considering Thalassa's continued eligibility for standard listing upon completion of the Offer. There is a risk that the outcome of the UKLA's eligibility review will be that Thalassa is no longer eligible for Standard Listing or indeed under any other listing category of the Official List. In those circumstances, Thalassa's listing may be cancelled. If that were to be the case, Thalassa would consider what options may be open to it (such as a corporate action or a potential change to its own listing category or trading venue) so as to ensure it can remain a listed or quoted business. Dependent on the nature of any potential corporate action that the Board of Thalassa may contemplate in such circumstances, there may be a suspension of Thalassa's Shares. The length of any such suspension will vary depending on the circumstances and it may be that after any such period of suspension the listing of Thalassa's shares is cancelled. It may be that the Board is unable to undertake any such corporate action which allows Thalassa's shares to be traded on any exchange or market for quoted or listed securities. If Thalassa's shares (i) are cancelled from listing; (ii) cease to be traded on any exchange; or (iii) are no longer quoted, any one of those scenarios would materially reduce liquidity in such shares which may affect a Thalassa Shareholder's ability to realise some or all of its investment and/or the price at which such Thalassa Shareholder can effect such realisation. There is unlikely to be a market for Thalassa's shares where they cease to be listed, traded or quoted.

10. Intentions regarding compulsory acquisition and continuing listing of LSR Shares

Thalassa's intentions with regard to the continued listing of LSR on the premium segment of the Main Market of the London Stock Exchange is dependent on the level of valid acceptances received by Thalassa pursuant to the Offer. As noted above in Section 9, Thalassa itself will be required to undertake a new eligibility process in respect of its own listing and the Thalassa Board will need to consider the impact of the outcome of the Offer and Thalassa's final shareholding in LSR in that context. At this stage, the Thalassa Board's preference would be to retain LSR's listing.

Accordingly, if, as a result of valid acceptances of the Offer by LSR Shareholders, and together with its existing shareholding in LSR, Thalassa's aggregate shareholding upon completion of the Offer is in excess of 75 per cent. of the entire issued share capital of LSR, the Thalassa Board would seek to undertake a corporate action or re-organisation such that LSR continues to be able to meet the "shares in public hands" eligibility requirement under the Listing Rules. In the meantime, Thalassa will ensure that LSR continues to comply with its other continuing obligations under the Listing Rules as a premium listed closed ended investment company. In these circumstances, Thalassa also intends that LSR will retain its REIT status.

Only should it not be viable or practicable to maintain the listing of LSR Shares subsequent to the Offer would Thalassa procure that LSR seeks cancellation of trading of LSR Shares on the premium segment of the Main Market of the London Stock Exchange. In such a case, LSR would make an announcement confirming its intentions regarding the continued listing of the LSR Shares.

Compulsory acquisition of LSR Shares

If Thalassa receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more in nominal value and of the voting rights of the LSR Shares to which the Offer relates and if all other conditions of the Offer have been satisfied or waived (to the extent that they are capable of being waived), Thalassa may choose to consolidate LSR into Thalassa and will consider exercising its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily on the same terms as the Offer any remaining LSR Shares not acquired or agreed to be acquired pursuant to the Offer or otherwise. In such case, Thalassa may also seek to re-register LSR as a private company.

Delisting of the LSR Shares and the re-registration of LSR as a private limited company would significantly reduce the liquidity and marketability of any LSR Shares in respect of which the Offer has not been accepted at that time. Any remaining LSR Shareholders would become minority shareholders in a majority controlled private limited company and may therefore be unable to sell their LSR Shares. There can be no certainty that LSR would pay any further dividends or other distributions or that such minority LSR Shareholders would again be offered an opportunity to sell their LSR Shares on terms which are equivalent to or no less advantageous than those under the Offer.

11. Thalassa Prospectus and Conditions

It is expected that the Thalassa Prospectus, containing information about the Thalassa Consideration Shares and the Enlarged Group, will be made available to Eligible LSR Shareholders at the same time as the Offer Document and the accompanying Form of Acceptance are posted to Eligible LSR Shareholders. It is expected that Admission will become effective and that dealings for normal settlement in Thalassa Consideration Shares to be issued in connection with the Offer becoming effective will commence on the London Stock Exchange no later than 14 days from the Effective Date.

The Offer will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Offer Document.

12. Disclosure of interests in relevant securities

Thalassa currently holds 21,021,277 LSR Shares (representing approximately 25.5 per cent. of LSR's voting rights).

Save as set out above in this Section 12, as of the close of business on 5 February 2019 (being the last Business Day before the date of this Announcement), none of Thalassa nor, so far as Thalassa is aware, any person acting in concert (within the meaning of the City Code) with Thalassa (including the Thalassa Directors) has:

- any interest in, or right to subscribe for, any LSR Shares or other relevant securities relating to LSR, nor does any such person have any short position in LSR Shares or other relevant securities relating to LSR, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of LSR Shares or other relevant securities relating to LSR ("**relevant LSR Securities**"); or
- borrowed or lent any LSR Shares or other relevant securities relating to LSR, nor entered into any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the City Code, relating to LSR Shares or other relevant securities relating to LSR.

No dealing arrangements exist with Thalassa or any person who is an associate of Thalassa in relation to relevant LSR securities. A "dealing arrangement" includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to relevant LSR securities which may be an inducement to deal or refrain from dealing in such securities.

13. Financing

The maximum cash consideration payable should all LSR Shareholders accept the Offer and elect to receive cash in respect of their LSR Shares is approximately £9.0 million which will be funded from Thalassa's existing cash resources.

finnCap Ltd is satisfied that the resources available to Thalassa are sufficient to satisfy in full the cash consideration element of the Offer Consideration.

14. Restricted jurisdictions

The availability of the Offer to LSR Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are not resident in the United Kingdom should inform themselves of, and observe any applicable legal or regulatory requirements.

This Announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. LSR Shareholders are advised to read carefully the Offer Document, the

Thalassa Prospectus and the Form of Acceptance, once these have been published and dispatched.

Please refer to the overseas jurisdictions section of Section 17 of this Announcement.

15. Documents on website

Copies of the following documents will, by no later than 12 noon (London time) on 7 February 2019, be published on www.thalassaholdingsltd.com:

- this Announcement; and
- the written consent provided by finnCap as referred to in Section 17 of this Announcement

16. Conditions and timetable

Appendix 1 to this Announcement sets out the Conditions and further terms to which the Offer will be subject. Under Rule 31.7 of the City Code, except with the consent of the Panel, all the Conditions must be satisfied or waived by Thalassa or the Offer will lapse within 21 days of the first closing date or the date the Offer becomes or is declared unconditional as to acceptances, whichever is the later. Rule 31.7 also provides that the Panel's consent to an extension will normally only be granted, broadly, if the outstanding condition involves a material official authorisation or regulatory clearance relating to the transaction.

If the Offer becomes or is declared unconditional as to acceptances and, subsequently, becomes or is declared unconditional in all respects, the Offer will remain open for acceptances for at least 14 days following the date on which the Offer becomes or is declared unconditional in all respects.

The Offer is conditional on, among other things, Thalassa securing valid acceptances of the Offer in respect of Offer Shares which, taken together with all other LSR Shares owned or acquired, directly or indirectly, by Thalassa, carry in aggregate more than 50 per cent. of the voting rights in LSR.

17. General

It is intended that the Offer will be implemented by way of a takeover offer within the meaning of the Act. However, Thalassa reserves the right to elect, with the consent of the Panel (where necessary), to implement the Offer by way of a Court-sanctioned scheme of arrangement in accordance with Part 26 of the Act.

In such event, the transaction would be implemented on the same terms subject to appropriate amendments, in particular to the amendments referred to in Part C of Appendix 1 to this Announcement.

The full terms of the Offer will be set out in the Offer Document and the Form of Acceptance. Relevant documentation is expected to be sent (or made available) to Eligible LSR Shareholders and, for information purposes, to persons with information rights in due course. In deciding whether or not to accept the Offer in respect of their LSR Shares, LSR Shareholders should consider the information contained in, and the procedures described in, such documentation.

Important notices relating to financial advisers

finnCap, which is authorised and regulated by the FCA in the UK, is acting exclusively for Thalassa and no one else in connection with the Offer and will not be responsible to anyone other than Thalassa for providing the protections afforded to its clients or for providing advice in relation to the Offer or any other matters referred to in this Announcement.

finnCap has given and not withdrawn its consent to the publication of this Announcement with the inclusion in it of the references to its name in the form and context in which they appear.

Further information

This Announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities of Thalassa pursuant to the Offer in any jurisdiction in contravention of applicable laws. The Offer will be implemented solely pursuant to the terms of the Offer Document and the accompanying Form of Acceptance which will contain the full terms and conditions of the Offer, including details of how to accept the Offer. Any decision in respect of, or

other response to, the Offer should be made only on the basis of the information contained in the Offer Document, the Thalassa Prospectus and the Form of Acceptance.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Thalassa will publish the Thalassa Prospectus containing information on the Thalassa Consideration Shares and the Enlarged Group as well as the Offer Document. Thalassa urges LSR Shareholders to read the Offer Document, the Thalassa Prospectus and the Form of Acceptance carefully when they become available because they will contain important information in relation to the Offer, the Thalassa Consideration Shares and the Enlarged Group. Any decision by LSR Shareholders in respect of the Offer should be made only on the basis of the information contained in the Offer Document, the Thalassa Prospectus and the Form of Acceptance.

Information relating to LSR Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by LSR Shareholders, persons with information rights and other relevant persons for the receipt of communications from LSR may be provided to Thalassa during the Offer Period as required under Section 4 of Appendix 4 of the City Code.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to accept the Offer or to execute and deliver the Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located.

This Announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Thalassa or required by the City Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any use, means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction including the United States or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities. Accordingly, copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction.

The availability of the Offer to LSR Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements.

Further details in relation to LSR Shareholders in overseas jurisdictions will be contained in the Offer Document.

Additional US information

This Announcement is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise. The Offer will be made solely through the Offer Document or, if Thalassa elects to switch to a Scheme, the Scheme document, which will contain the full terms and conditions of the Offer, including details of how the transaction may be accepted. Any acceptance or other response to the transaction should be made only on the basis of the information in the Offer Document or Scheme Document (as appropriate).

The Offer relates to the shares of an English company and is subject to UK procedural and disclosure requirements that are different from certain of those of the US. Any financial statements

or other financial information included in this Announcement may have been prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. It may be difficult for US holders of shares to enforce their rights and any claims they may have arising under the US federal securities laws in connection with the Offer, since Thalassa and LSR are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the United States. US holders of shares in Thalassa or LSR may not be able to sue Thalassa, LSR or their respective officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel Thalassa, LSR and their respective affiliates to subject themselves to the jurisdiction or judgment of a US court.

It is intended that the Offer will be implemented by way of a takeover offer under English law. Alternatively, the Offer may be implemented by way of a scheme of arrangement under English law which is not subject to the tender offer rules under the US Exchange Act, in which case the Offer would be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules. If the Offer is implemented by way of a scheme of arrangement, the Thalassa Consideration Shares would be expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) of the US Securities Act. Section 3(a)(10) exempts securities issued in exchange for one or more outstanding securities from the general requirements of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court, after a hearing on the fairness of the terms and conditions of the issuance and exchange at which all persons to whom such securities will be issued have the right to appear and be heard. The Court would hold a hearing on the Scheme's fairness to LSR Shareholders, at which hearing all such shareholders would be entitled to attend in person or through counsel. If the Offer is implemented by way of the Scheme, a person who receives Thalassa Consideration Shares pursuant to the Offer or Scheme and who is an affiliate of Thalassa may not resell such securities without registration under the US Securities Act or pursuant to the applicable resale provisions of Rule 144 under the US Securities Act or another applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the US Securities Act). Whether a person is an affiliate of a company for the purposes of the US Securities Act depends on the circumstances, but affiliates can include certain officers, directors and significant shareholders. Persons who believe that they may be affiliates of Thalassa should consult their own legal advisers prior to any sale of securities received pursuant to the Scheme.

This Announcement does not constitute an offer of securities for sale in the US. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Thalassa does not intend to make a public offering of securities in the US, but if undertaken any such public offering would need to be made by a means of a prospectus that would contain detailed information about the company and management, as well as financial statements. No offer to acquire securities or to exchange securities for other securities has been made, or will be made, directly or indirectly, in or into, or by use of the mails, any means or instrumentality of interstate or foreign commerce or any facilities of a national securities exchange of, the US or any other country in which such offer may not be made other than (i) in accordance with the US Securities Act, as amended, or the securities laws of such other country, as the case may be, or (ii) pursuant to an available exemption from such requirements. In particular, Thalassa Consideration Shares will only be made available in the United States to qualified institutional buyers (as defined in Rule 144A under the US Securities Act) or accredited investors (as defined in Rule 501(a) under the US Securities Act) in transactions that are exempt from the registration requirements of the US Securities Act. Such shareholders will be required to make such acknowledgements and representations to, and agreements with, Thalassa as Thalassa may require to establish that they are entitled to receive Thalassa Consideration Shares.

Nothing in this Announcement shall be deemed an acknowledgement that any SEC filing is required or that an offer requiring registration under the US Securities Act may ever occur in connection with the Offer.

The Thalassa Consideration Shares have not been, and will not be, registered under the securities laws of any state or jurisdiction in the United States and, accordingly, will only be issued to the extent that exemptions from the registration or qualification requirements of state "blue sky" securities laws are available or such registration or qualification requirements have been complied with.

Cautionary note regarding forward looking statements

This Announcement contains certain forward looking statements with respect to the financial condition, results of operations and businesses of Thalassa and LSR and their respective groups, and certain plans and objectives of Thalassa with respect to the Enlarged Group. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements. Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in

these statements. Forward looking statements include, among other things, statements concerning the potential exposure of Thalassa, the Thalassa Group, LSR, the LSR Group and/or the Enlarged Group to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions, including as to future potential cost savings, synergies, earnings, cash flow, return on average capital employed, production and prospects. These forward looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "risks", "seek", "should", "target", "will" and similar terms and phrases.

There are a number of factors that could affect the future operations of Thalassa, the Thalassa Group, LSR, the LSR Group and/or the Enlarged Group and that could cause results to differ materially from those expressed in the forward looking statements included in this Announcement, including (without limitation): (a) changes in demand for Thalassa's and/or LSR's assets; (b) currency fluctuations; (c) the value of the underlying assets held by Thalassa and/or LSR; (d) risks associated with the identification of suitable potential acquisition assets and targets, and successful negotiation and completion of such transactions; and (e) changes in trading conditions.

All forward looking statements contained in this Announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward looking statements. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Thalassa Group or the LSR Group, refer to the annual report and accounts of the Thalassa Group for the financial and of the LSR Group for the financial year ended 30 September 2018, respectively.

Each forward looking statement speaks only as of the date of this Announcement. Neither Thalassa nor the Thalassa Group undertakes any obligation to publicly update or revise any forward looking statement as a result of new information, future events or otherwise, except to the extent legally required. In light of these risks, results could differ materially from those stated, implied or inferred from the forward looking statements contained in this Announcement.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables or forms may vary slightly and figures shown as totals in certain tables or forms may not be an arithmetic aggregation of the figures that precede them.

No forecasts or estimates

No statement in this Announcement is intended as a profit forecast, estimate or quantified financial benefits statement for any period and no statement in this Announcement should be interpreted to mean that cash flow from operations, free cash flow, earnings or earnings per share for Thalassa, LSR or the Enlarged Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, free cash flow, earnings or earnings per share for Thalassa or LSR as appropriate.

Disclosure requirements of the City Code

Under Rule 8.3(a) of the City Code, any person who is interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to midnight on the day before the deadline for making an Opening Position Disclosure must instead make a dealing disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a dealing disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A dealing disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s),

save to the extent that these details have previously been disclosed under Rule 8 and have not changed. A dealing disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and dealing disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the City Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and dealing disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a dealing disclosure.

For the purpose of this section (*Disclosure requirements of the City Code*) and the following section (*Publication on website and availability of hard copies*) of this Announcement, "Business Day" means a day on which the London Stock Exchange is open for the transaction of business.

Publication on website and availability of hard copies

A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Thalassa's website www.thalassaholdingsltd.com by no later than 12 noon (London time) on the Business Day following the date of this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Thalassa and LSR Shareholders may request a hard copy of this Announcement by contacting finnCap on +44 20 7220 0500.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are located in the UK or, if you are located outside the UK, from an appropriately authorised independent financial adviser.

APPENDIX 1

CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE OFFER

Part A

Conditions to the Offer

The Offer will be conditional upon:

Acceptance Condition

- (a) valid acceptances of the Offer having been received (and not, where permitted, withdrawn) by no later than 1.00 p.m. on the first closing date of the Offer as specified in the Offer Document (or such later times and/or dates as Thalassa may, subject to the rules of the City Code or with the consent of the Panel, decide) in respect of LSR Shares to which the Offer relates and of the voting rights attached to those shares which, together with all other LSR Shares owned by Thalassa or acquired or agreed to be acquired (whether pursuant to the Offer or otherwise), directly or indirectly by Thalassa, carry in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of LSR;

For the purposes of this Condition (a):

- (i) LSR Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon issue;

- (ii) valid acceptances shall be deemed to have been received in respect of LSR Shares which are treated for the purposes of Part 28 of the Act as having been acquired or contracted to be acquired by Thalassa, whether by virtue of acceptance of the Offer or otherwise;
- (iii) the expression "LSR Shares to which the Offer relates" shall be construed in accordance with Chapter 3 of Part 28 of the Act; and
- (iv) all percentages of voting rights and share capital are to be calculated by reference to the percentage held and in issue outside treasury;

In addition, the Offer will be conditional upon the following Conditions and, accordingly, the Offer will not become or be declared wholly unconditional unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Admission to listing

- (b) (i) the admission to the Official List (with a standard listing) of the Thalassa Consideration Shares to be issued in connection with the Offer becoming effective in accordance with the Listing Rules and the admission of such shares to trading becoming effective in accordance with the Admission and Disclosure Standards of the London Stock Exchange; or (ii) if Thalassa so determines (and subject to the consent of the Panel) (aa) the UK Listing Authority having acknowledged to Thalassa or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the Thalassa Consideration Shares to the Official List with a standard listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied; and (bb) the London Stock Exchange having acknowledged to Thalassa or its agent (and such acknowledgement not having been withdrawn) that the Thalassa Consideration Shares will be admitted to the Official List with a standard listing and to trading on the main market for listed securities of the London Stock Exchange;

General Third Party clearances

- (c) the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider LSR Group taken as a whole) arising as a result of or in connection with the Offer including, without limitation, its implementation and financing or the proposed direct or indirect Offer of any shares or other securities in, or control of, LSR by Thalassa or any member of the Thalassa Group;
- (d) all necessary filings or applications having been made in connection with the Offer and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the Offer by any member of the Wider Thalassa Group of any shares or other securities in, or control of, LSR and all Authorisations reasonably deemed necessary or appropriate by Thalassa or any member of the Wider Thalassa Group for or in respect of the Offer including without limitation, its implementation and financing or the proposed direct or indirect Offer of any shares or other securities in, or control of, LSR or any member of the Wider LSR Group by any member of the Wider Thalassa Group having been obtained in terms and in a form satisfactory to Thalassa from all appropriate Third Parties or persons with whom any member of the Wider LSR Group has entered into contractual arrangements and all such Authorisations together with all material authorisations orders, recognitions, grants, licenses, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider LSR Group which is material in the context of the Thalassa Group or the LSR Group as a whole or of the financing of the Offer remaining in full LSR and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Offer becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;
- (e) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing

to be outstanding any statute, regulation, decision or order, which in each case would or might reasonably be expected to:

- (i) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Thalassa Group or any member of the Wider LSR Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Thalassa Group or the Wider LSR Group in either case taken as a whole;
- (ii) require, prevent or delay the divestiture by any member of the Wider Thalassa Group of any shares or other securities in LSR;
- (iii) impose any material limitation on, or result in a delay in, the ability of any member of the Wider Thalassa Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider LSR Group or the Wider Thalassa Group or to exercise voting or management control over any such member;
- (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Thalassa Group or of any member of the Wider LSR Group to an extent which is material in the context of the Wider Thalassa Group or the Wider LSR Group in either case taken as a whole;
- (v) make the Offer or its implementation or the acquisition or proposed acquisition by Thalassa or any member of the Wider Thalassa Group of any shares or other securities in, or control of LSR void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;
- (vi) require any member of the Wider Thalassa Group or the Wider LSR Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider LSR Group or the Wider Thalassa Group owned by any third party;
- (vii) impose any limitation on the ability of any member of the Wider LSR Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider LSR Group taken as a whole or in the context of the Offer; or
- (viii) result in any member of the Wider LSR Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer or the Offer or proposed Offer of any LSR Shares having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement etc.

- (f) save as Disclosed, there being no provision of any agreement, arrangement, license, permit or other instrument to which any member of the Wider LSR Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed Offer of any shares or other securities (or equivalent) in LSR or because of a change in the control or management of LSR or otherwise, could or might result in any of the following to an extent which is material and adverse in the context of the Wider LSR Group, or the Wider Thalassa Group, in either case taken as a whole, or in the context of the Offer:
 - (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, license, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or

modified or affected or any obligation or liability arising or any action being taken or arising thereunder;

- (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or acceleration of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider LSR Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition;

Certain events occurring since 30 September 2018

- (g) save as Disclosed, no member of the Wider LSR Group having, since 30 September 2018:
 - (i) save as between LSR and wholly-owned subsidiaries of LSR or for LSR Shares issued under or pursuant to the exercise of options and vesting of awards granted under any LSR share schemes, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between LSR and wholly-owned subsidiaries of LSR or for the grant of options and awards and other rights under any LSR share schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to another member of the LSR Group, prior to completion of the Offer, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise;
 - (iv) save for intra-LSR Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, Offer or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider LSR Group taken as a whole;
 - (v) save for intra-LSR Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider LSR Group taken as a whole;
 - (vi) issued, authorised or proposed the issue of any debentures or (save for intra-LSR Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
 - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider LSR Group taken as a whole;

- (viii) save for Intra-LSR Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
- (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business, in each case, to the extent which is material in the context of the Wider LSR Group taken as a whole;
- (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case, to the extent which is material in the context of the Wider LSR Group taken as a whole;
- (xi) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider LSR Group or the Wider Thalassa Group other than of a nature and extent which is normal in the context of the business concerned;
- (xii) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider LSR Group taken as a whole;
- (xiii) made any material alteration to its memorandum or articles of association or other incorporation documents;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this Condition ((g));
- (xvi) made or agreed or consented to any change to:
 - (A) the terms of the pension scheme(s) established by any member of the Wider LSR Group for its directors, employees or their dependents;
 - (B) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,in each case, to the extent which is material in the context of the Wider LSR Group taken as a whole;
- (xvii) proposed, agreed to provide or modified the terms of any of the LSR share scheme or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider LSR Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider LSR Group, save as agreed by the Panel (if required) and by Thalassa, or entered into or changed the terms of any contract with any director or senior executive; or
- (xviii) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of LSR Shareholders in general meeting in

accordance with, or as contemplated by, Rule 21.1 of the City Code;

No adverse change, litigation or regulatory enquiry

- (h) save as Disclosed, since 30 September 2018:
- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider LSR Group which, in any such case, is material in the context of the Wider LSR Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in such adverse change;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider LSR Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider LSR Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the Wider LSR Group which in any such case has had or might reasonably be expected to have an adverse effect on the Wider LSR Group taken as a whole;
 - (iii) no contingent or other liability having arisen or become apparent to Thalassa or increased which has had or might reasonably be expected to have an adverse effect on the Wider LSR Group taken as a whole; and
 - (iv) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any license held by any member of the Wider LSR Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, an adverse effect on the Wider LSR Group taken as a whole;

No discovery of certain matters

- (i) save as Disclosed, Thalassa not having discovered:
- (i) that any financial, business or other information concerning the Wider LSR Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider LSR Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading, in each case, to the extent which is material in the context of the Wider LSR Group taken as a whole;
 - (ii) that any member of the Wider LSR Group or partnership, company or other entity in which any member of the Wider LSR Group has a significant economic interest and which is not a subsidiary undertaking of LSR, is subject to any liability (contingent or otherwise) which is not disclosed in the Annual Report and Accounts of LSR for the financial year ended 30 September 2018, in each case, to the extent which is material in the context of the Wider LSR Group taken as a whole; or
 - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider LSR Group and which is material in the context of the Wider LSR Group taken as a whole;
- (j) save as Disclosed, Thalassa not having discovered that:
- (i) any past or present member of the Wider LSR Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) on the part of any member of the Wider LSR Group and which is material in the context of the Wider LSR Group taken as a whole;
 - (ii) there is, or is likely to be, for other reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider LSR Group to make good,

remediate repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider LSR Group (or on its behalf) or by any person for which a member of the Wider LSR Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of the Wider LSR Group taken as a whole or the Offer;

- (iii) circumstances exist (whether as a result of the making of the Offer or the Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider Thalassa Group or any present or past member of the Wider LSR Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider LSR Group (or on its behalf) or by any person for which a member of the Wider LSR Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider LSR Group taken as a whole or the Offer; and

Anti-corruption, sanctions and criminal property

- (k) save as Disclosed, Thalassa not having discovered that:
 - (i) (a) any past or present member, director, officer or employee of the Wider LSR Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation and regulation; or (b) any person that performs or has performed services for or on behalf of the Wider LSR Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation and regulation; or
 - (ii) any asset of any member of the Wider LSR Group constitutes criminal property as defined by section 340 (3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
 - (iii) any past or present member, director, officer or employee of the Wider LSR Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HMRC or HM Treasury; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states; or
 - (iv) any member of the Wider LSR Group is or has been engaged in any transaction which would cause Thalassa to be in breach of any law or regulation upon its Offer of LSR, including the economic sanctions of the United States Office of Foreign Assets Control, or HMRC or HM Treasury, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

For the purposes of these Conditions the "**Wider LSR Group**" means LSR and its subsidiary undertakings, associated undertakings and any other undertaking in which LSR and/or such undertakings (aggregating their interests) have a significant interest and the "**Wider Thalassa Group**" means Thalassa and its subsidiary undertakings, associated undertakings and any other undertaking in which Thalassa and/or such undertakings (aggregating their interests) have a significant interest and for these purposes "subsidiary undertaking" and "undertaking" have the meanings given by the Act, "associated undertaking" has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and "significant interest" means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Act).

Part B

Waiver and Invocation of the Conditions

Thalassa reserves the right to waive, in whole or in part, all or any of the Conditions set out in Part A of Appendix 1 above, except for Conditions (a) (Acceptance Condition) and (b) (Admission to listing) which cannot be waived. The Offer will be subject to the satisfaction (or waiver, if permitted) of the Conditions set out in this Appendix 1, and to certain further terms set out in Appendix 1, and to the full terms and conditions which will be set out in the Offer Document, the Thalassa Prospectus and the Form of Acceptance.

The Offer shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by Thalassa to be or remain satisfied, by midnight (London time) on the 21st day after the later of (i) the first closing date of the Offer; and (ii) the date on which Condition (a) (*Acceptance Condition*), is fulfilled (or, in each case, such later date as Thalassa may determine, with the consent of the Panel).

Thalassa shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of Conditions (b) to (k) (inclusive) that are capable of waiver by a date earlier than the latest date specified above for the fulfilment of the relevant Condition, notwithstanding that the other Conditions to the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Condition(s) may not be capable of fulfilment.

If Thalassa is required by the Panel to make an offer for LSR Shares under the provisions of Rule 9 of the City Code, Thalassa may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.

Part C

Implementation by way of Scheme

Thalassa reserves the right, with the consent of the Panel (where necessary), to elect to implement the Offer by way of the Scheme.

If the Offer is implemented by way of the Scheme, such Scheme will be implemented on the same terms, subject to appropriate amendments to reflect the change in method of effecting the Offer, including (without limitation and subject to the consent of the Panel):

- (a) its approval by a majority in number representing not less than three-fourths in value of the relevant LSR Shareholders (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Thalassa may agree and the Court may allow);
- (b) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at a LSR General Meeting or at any adjournment of that meeting on or before the 22nd day after the expected date of the LSR General Meeting as set out in the Scheme Document in due course (or such later date, if any, as Thalassa may agree and the Court may allow); and
- (c) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Thalassa) on or before the 22nd day after the expected date of the Court hearing to sanction the Scheme as set out in the Scheme Document in due course (or such later date, if any, as Thalassa may agree and the Court may allow) and the delivery of a copy of the Scheme Order within seven Business Days thereafter to the Registrar of Companies in England and Wales.

In addition, if the Offer is implemented by way of the Scheme, the Scheme will be conditional upon the Conditions set out above and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the Conditions set out above have either been waived (if permitted) or fulfilled.

Part D

Certain further terms of the Offer

Thalassa reserves the right to direct that a portion of the LSR Shares to be transferred pursuant to acceptances of the Offer be transferred directly to a wholly owned subsidiary of Thalassa.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

The Offer will be governed by and construed in accordance with English law and be subject to the jurisdiction of the courts of England and Wales, to the Conditions and terms set out in this Announcement and in due course in the Offer Document, the Thalassa Prospectus and the Form of Acceptance. The Offer will comply with the applicable rules and regulations of the FCA, the London Stock Exchange and the City Code.

Each of the Conditions shall respectively be regarded as a separate Condition and shall not be limited by reference to any other Condition.

If the Offer lapses for any reason, the Offer will cease to be capable of further acceptance, and Thalassa and accepting LSR Shareholders will cease to be bound by acceptances of the Offer delivered on or before the time when the Offer lapses.

Fractions of Thalassa Consideration Shares will not be allotted to LSR Shareholders but will be aggregated and sold in the market. The net proceeds of such sale will then be paid in cash to the relevant LSR Shareholder in accordance with their fractional entitlements. Individual entitlements, however, of less than £5.00 will not be paid but will be donated to charity.

The Thalassa Consideration Shares, which will be issued in connection with the Offer, have not been and will not be registered under any of the relevant securities laws of Canada, Japan, Australia, South Africa or the United States or any jurisdiction other than the UK and no regulatory clearance in respect of the Thalassa Consideration Shares has been, or will be, applied for in any jurisdiction other than the United Kingdom. The Thalassa Consideration Shares may not be offered, sold or delivered, directly or indirectly, in Canada, Japan, Australia, South Africa or the United States or any other Restricted Jurisdictions except pursuant to exemptions from applicable requirements of any such jurisdiction.

LSR Shares which will be acquired under the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Effective Date.

If, after the date of this Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the LSR Shares, Thalassa reserves the right to reduce the Offer Consideration by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared or paid, in which case any reference in this Announcement or the Offer Document to the Offer Consideration for the LSR Shares will be deemed to be a reference to the offer consideration as so reduced. For the avoidance of doubt, any payments made in cash or by way of the delivery of shares on the vesting of awards calculated by reference to dividends accrued in respect of those underlying vested shares are not to be construed as a dividend, distribution or return of capital for these purposes.

The Offer will lapse if:

- (a) in so far as the Offer or any matter arising from or relating to the Offer constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference; or
- (b) in so far as the Offer or any matter arising from the Offer does not constitute a concentration with a Community dimension within the scope of the Regulation, the Offer or any matter arising from or relating to the Offer becomes subject to a CMA Phase 2 Reference,

in each case, before the later of 1:00 p.m. on the first closing date of the Offer or the date when the Offer becomes or is declared unconditional as to acceptances

APPENDIX 2

SOURCES OF INFORMATION AND BASES OF CALCULATION

- (1) In this Announcement:

- (a) the number of issued LSR Shares is based on 82,505,853 shares in issue (excluding shares held in treasury) on 5 February 2019, being the last dealing day prior to the date of this Announcement;
- (b) the Closing Prices of LSR Shares and/or Thalassa Shares are based on the middle market quotations of a LSR Share and/or Thalassa Shares derived from the Daily Official List for the relevant dates;
- (c) all share prices expressed in pence have been rounded to the nearest one decimal place and all percentages have been rounded to one decimal place;
- (d) unless otherwise stated, the financial information relating to LSR is extracted from the audited consolidated financial statements of LSR for the financial year ended 30 September 2018, prepared in accordance with IFRS and as announced on 10 December 2018;
- (e) the financial information relating to Thalassa (including the Thalassa NAV) is extracted from the unaudited preliminary financial statements of Thalassa for the financial year ended 31 December 2018, prepared in accordance with IFRS and as announced on 6 February 2019;
- (f) the Proforma NAV per Thalassa Share of 105.2 pence is a per share assumed pro-forma NAV for Thalassa based on the Offer becoming, or being declared wholly unconditional, and on full acceptance of the Offer. It has been calculated on the following basis (approximate numbers subject to rounding):
- The combined net asset value of Thalassa and LSR (being the Thalassa NAV of approximately £23.9 million (US\$ 30.5 million and a year end £:US\$ exchange rate of 1.2747) together with the LSR NAV of approximately £27.7 million

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- £9.0 million, being the maximum cash consideration payable under the offer; and
- £7.1 million, being Thalassa's 25.5% interest in the LSR NAV*

This then provides a Proforma NAV for the Enlarged Group which is then divided by the enlarged share capital of Thalassa of approximately 33.9 million Thalassa Shares (assuming all of the c.16 million Thalassa Consideration Shares are issued pursuant to the Offer) which results in the Proforma NAV per Thalassa Share of 105.2 pence.

This implied Proforma NAV per Thalassa Share is then multiplied by the offer ratio of 0.26 Thalassa Consideration Shares for each Offer Share and then the cash consideration of 14.64 pence per Offer Share is added to produce the Proforma NAV per Offer Share.

***LSR Shareholders should note that the implied value of Thalassa's interest in the LSR NAV does not reflect the actual carrying value of Thalassa's interest in LSR on Thalassa's balance sheet as at 31 December 2018 which was US\$ 6.7 million (£5.3 million at year end to £: US\$ exchange rate of 1.2747). Thalassa accounts for its investment in LSR as an associate in accordance with IAS28 and therefore is carrying value is based on the historic cost less Thalassa's share of LSR's accumulated losses since investment.**

APPENDIX 3

DEFINITIONS

"Act"	means the Companies Act 2006, as amended from time to time;
"AIM"	the AIM market of the London Stock Exchange;
"Admission"	means admission of the Thalassa Consideration Shares to the Official List with a standard listing and to trading on the main market for listed securities of the London Stock Exchange;
"Announcement"	means this announcement made pursuant to Rule 2.7 of the City Code;

"ARL"	means Autonomous Robotics Limited, a wholly owned subsidiary of Thalassa;
"Authorisations"	for the purpose of the relevant Conditions, means authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals;
"Business Day"	means a day, other than a public holiday, Saturday or Sunday, when banks are open in London for general banking business;
"BVI"	means the British Virgin Islands;
"City Code" or "Code"	means the City Code on Takeovers and Mergers as issued from time to time by or on behalf of the Panel;
"Closing Price"	means the closing middle market quotation of a share derived from the Daily Official List;
"Conditions"	means the conditions to the implementation of the Offer set out in Part A of Appendix 1 to this Announcement and to be set out in the Offer Document;
"Court"	means the High Court of Justice in England and Wales;
"Court Meeting"	means, should the Offer be implemented by way of a Scheme, the meeting of LSR Shareholders to be convened by order of the Court pursuant to section 896 of the Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof;
"Daily Official List"	means the Daily Official List of the London Stock Exchange;
"Dealing Disclosure"	means an announcement pursuant to Rule 8 of the City Code containing details of dealings in interests in relevant securities of a party to an offer;
"Disclosed"	means the information fairly disclosed by, or on behalf of LSR: (i) in the Annual Report and Accounts of the LSR Group for the financial year ended 30 September 2018; or (ii) in any other public announcement made by LSR in accordance with the Market Abuse Regulations, the Listing Rules and the Disclosure Guidance and Transparency Rules prior to this Announcement;
"Disclosure Guidance and Transparency Rules"	means the rules and regulations made by the FCA under Part VI of the Financial Services and Markets Act 2000 (as amended from time to time), referred to in section 73A(2) of the same and contained in the FCA's publication of the same name (as amended from time to time);
"Effective Date"	means the date on which: <ul style="list-style-type: none"> (a) the Offer becomes or is declared unconditional in all respects; or (b) if Thalassa elects to implement the Offer by way of a Scheme, the date on which the Scheme becomes effective in accordance with its terms;
"Eligible LSR Shareholders"	means LSR Shareholders, other than Restricted LSR Shareholders;
"Enlarged Group"	means the enlarged group following completion of the Offer, comprising the Thalassa Group and the LSR

	Group;
"EU" or "European Union"	means an economic and political union of 28 member states which are located primarily in Europe;
"Existing Thalassa Shares"	the Thalassa Shares in issue as at the date of this Announcement (excluding any Thalassa Shares held in treasury);
"FCA"	means the UK Financial Conduct Authority;
"finnCap"	means finnCap Ltd;
"Form of Acceptance"	means the form of acceptance to accept the Offer;
"HMRC"	means HM Revenue & Customs;
"IFRS"	means the International Financial Reporting Standards, as issued by the International Accounting Standards Board and endorsed by the European Union;
"Listing Rules"	means the rules and regulations made by the UK Listing Authority under Part VI of the Financial Services and Markets Act 2000, as amended, and contained in the UK Listing Authority's publication of the same name (as amended from time to time);
"London Stock Exchange"	means London Stock Exchange plc;
"LSR"	means the Local Shopping REIT plc, incorporated in England and Wales with registered number 05304743;
"LSR Board"	means the LSR Directors collectively;
"LSR Directors"	means the directors of LSR as at the date of this Announcement or, where the context so requires, the directors of LSR from time to time;
"LSR General Meeting"	means, should the Offer be implemented by way of the Scheme, the general meeting of LSR Shareholders (and any adjournment thereof) to be convened for the purpose of considering and, if thought fit, approving the shareholder resolutions necessary to enable LSR to implement the Offer;
"LSR Group"	means LSR and its subsidiaries and subsidiary undertakings from time to time and a "member of the LSR Group" shall be construed accordingly;
"LSR NAV"	means the audited net asset value of LSR as at 30 September 2018;
"LSR Share Schemes"	means the employee and former-employee share schemes of LSR as described in its latest annual report and accounts;
"LSR Shareholders"	means the holders of LSR Shares;
"LSR Shares"	means the shares of 20 pence each in the capital of LSR and includes: <ul style="list-style-type: none"> (a) the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 20 pence each in the capital of LSR; (b) any further ordinary shares of 20 pence each in the capital of LSR which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Offer closes (or such earlier date or dates as Thalassa may, subject to the City Code, determine); and

(c) any LSR Shares held as treasury shares that cease to be held as treasury shares before the date on which the Offer closes (or such earlier date or dates as Thalassa may, subject to the City Code, determine),

but excludes any shares held as treasury shares on such date as Thalassa may determine before the Offer closes (which may be a different date(s) to the date referred to in ((b) and (c)), and "**LSR Share**" means any one of them;

"Market Abuse Regulations"	means the Market Abuse Regulation (2014/596/EU);
"Mix and Match Facility"	means the facility, further details of which will be provided in the Offer Document, under which LSR Shareholders may elect to vary the proportions in which they receive Thalassa Consideration Shares and cash as consideration pursuant to the Offer;
"Thalassa"	means Thalassa Holdings Ltd, incorporated in the BVI with registered number 1433759;
"MVL"	means members' voluntary liquidation;
"NAV"	means net asset value;
"NRV"	means net realisable value;
"Offer"	means the Offer as described in this Announcement and to be made by Thalassa by way of a takeover offer as defined in Chapter 3 of Part 28 of the Act to acquire the entire issued and to be issued share capital of LSR on the terms and subject to the conditions to be set out in the Offer Document, the Thalassa Prospectus and the Form of Acceptance (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer, including any revision, variation, extension or renewal of such offer including any election or alternative available in connection with it);
"Offer Consideration"	the total consideration due to a LSR Shareholder accepting the Offer;
"Offer Document"	means the document to be dispatched to LSR Shareholders, containing (among other things) the terms and conditions of the Offer;
"Offer Period"	means the period commencing on 9 January 2019 and ending on: (i) the earlier of the date on which the Offer has become or has been declared unconditional as to acceptances and/or the date on which the Offer lapses or is withdrawn (or such other date as the Panel may decide) other than where such lapsing or withdrawal is a result of Thalassa electing to implement the Offer by way of a Scheme; or (ii) if applicable, the earlier of the date on which the Scheme becomes effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel and/or the Court may decide);
"Offer Shares"	means the LSR Shares other than the 21,021,277 LSR Shares already held by Thalassa;
"Official List"	means the official list maintained by the UK Listing Authority;
"Opening Position Disclosure"	means an announcement pursuant to Rule 8 of the City Code containing details of interests or short position in, or rights to subscribe for, any relevant securities of a party to an offer;
"Panel"	means the Panel on Takeovers and Mergers;

"PrinREE"	means Principal Real Estate Europe (formerly Internos Global Investors Limited);
"Proforma NAV per Thalassa Share"	has the meaning set out in paragraph (f) of Appendix 2;
"REIT"	means real estate investment trust;
"Restricted LSR Shareholders"	means those LSR Shareholders who are located in a Restricted Jurisdiction;
"Restricted Jurisdiction"	means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to LSR Shareholders in that jurisdiction, including the United States and any state or jurisdiction in the United States;
"Scheme"	means, should the Offer be implemented by way of a scheme of arrangement under Part 26 of the Act, such scheme of arrangement between LSR and the LSR Shareholders to implement the Offer with or subject to any modification, addition or condition approved or imposed by the Court;
"Scheme Document"	means, should the Offer be implemented by way of the Scheme, the document to be despatched to LSR Shareholders, including the particulars required by section 897 of the Act, including any supplementary scheme document;
"Scheme Order"	means, should the Offer be implemented by means of the Scheme, the order of the Court sanctioning the Scheme under section 899 of the Act;
"SEC"	means the US Securities and Exchange Commission;
"Standard Listing"	means a standard listing under Chapter 14 of the Listing Rules;
"Thalassa Board"	means the Thalassa Directors collectively;
"Thalassa Directors"	means the directors of Thalassa as at the date of this Announcement or, where the context so requires, the directors of Thalassa from time to time;
"Thalassa Group"	means Thalassa and its subsidiaries and subsidiary undertakings from time to time and "member of the Thalassa Group" shall be construed accordingly;
"Thalassa Net Asset Value" or "Thalassa NAV"	means the unaudited net asset value of Thalassa as at 31 December 2018;
"Thalassa Prospectus"	means the prospectus or equivalent document to be published by Thalassa at the same time as the Offer Document and accompanying Form of Acceptance in respect of the Thalassa Consideration Shares to be issued to LSR Shareholders in connection with the Offer and for the purpose of admission of the Thalassa Consideration Shares to listing on the Official List with a standard listing and to trading on the main market for listed securities of the London Stock Exchange (including any supplementary prospectus);
"Thalassa Shareholders"	means holders of Thalassa Shares;
"Thalassa Shares"	means the shares of US\$0.01 each in the capital of Thalassa from time to time;
"Third Party"	has the meaning given to it in paragraph (c) of Part A of Appendix 1 of this Announcement;

"UK" or "United Kingdom"		means the United Kingdom of Great Britain and Northern Ireland;
"UK Listing Authority" or "UKLA"	or	means the FCA acting in its capacity as the authority for listing in the UK;
"US" or "United States"		means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
"US\$" or "\$"		means United States Dollars;
"US Exchange Act"		means the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
"US Securities Act"		means the US Securities Act of 1933, as amended and the rules and regulations promulgated thereunder;
"Wider LSR Group"		has the meaning given to it in Appendix 1 to this Announcement; and
"Wider Thalassa Group"		has the meaning given to it in Appendix 1 to this Announcement.

All times referred to are London time, unless otherwise stated.

All references to "GBP", "pence", "sterling" or "£" are to the lawful currency of the United Kingdom.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

All references to "relevant securities" are to that term as it is defined in the City Code.

All references to "subsidiary", "subsidiary undertaking", "undertaking" and "associated undertaking" have the respective meanings given to them in the Act.

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