



Thalassa Holdings Ltd
Folio Chambers
PO Box 800
Road Town
Tortola VG1110
British Virgin Islands

2 April 2019

To: Shareholders of The Local Shopping REIT plc

Dear LSR Shareholder

Thalassa Holdings Ltd's ("Thalassa") offer for The Local Shopping REIT Plc (the "LSR")

I am writing further to the Offer Document posted by Thalassa to LSR Shareholders on 6 March 2019, which contained the full details of the offer by Thalassa for LSR (the "Offer"), together with the Prospectus and Form of Acceptance. LSR subsequently published a circular to its shareholders on 12 March 2019 (the "Response Circular"); Thalassa released an announcement on 19 March 2019, which LSR responded to on 21 March 2019 (the "LSR Announcement").

Please find enclosed a copy of the statement made by Thalassa's board of directors today (the "Statement"). I would urge you to read the Statement carefully which covers the legal opinion recently obtained by the Thalassa Board on the LSR Board's proposal.

Thalassa announced an extension of the Offer on 28 March 2019 and the Offer remains open for acceptance until the next closing date, which is 1.00 p.m. (London time) on 10 April 2019 (or such later time(s) or date(s) as Thalassa may determine, subject to the consent of the Panel, where required). **LSR Shareholders who have not already submitted their form of Acceptance, are invited to accept the Offer**

For the purposes of Rule 27.2 of the Code:

- (i) save as for Thalassa's views on the past performance and conduct of Thalassa and LSR, sourced from publicly available information, there have been no changes in information disclosed in the Offer Document published by Thalassa in connection with the Offer which are material in the context of that document; and
- (ii) save as for certain further dealings in relevant securities (being principally certain further buybacks of Thalassa Shares by Thalassa), there have been no material changes to matters listed in Rule 27.2(b) of the Code which have occurred since the publication of the Offer Document.

Capitalised terms used but not defined in this letter and the Statement shall have the meanings given to them in the Offer Document.

Sincerely,

Duncan Soukup
Chairman
For and on behalf of Thalassa Holdings Ltd