

THIS DOCUMENT AND ANY ACCOMPANYING PROXY FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all your LSR Shares, you should send this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold part only of your holding of LSR Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

This document does not constitute an offer of transferable securities to the public within the meaning of section 102B of FSMA. This document has been reviewed and approved by the FCA for the purposes of Listing Rule 5.4A.6R only.

Subject to the Resolutions being passed, application will be made to the FCA for the category of the Company's listing of LSR Shares on the Official List to be transferred from Premium Listing to Standard Listing. Following the transfer to Standard Listing, the LSR Shares will continue to be traded on the London Stock Exchange's Main Market for listed securities.

THE LOCAL SHOPPING REIT PLC

(Registered in England and Wales with registered number 05304743)

Proposed transfer of the Company's listing category on the Official List from Premium to Standard

Proposed change of name to Alina Holdings Plc

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part II (Letter from the Chairman) of this document and which contains the recommendation from the Board that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Due to the UK Government's recommendations in light of the ongoing COVID-19 pandemic and public health risk, and to ensure compulsory social distancing measures and hygiene precautions are maintained the General Meeting will be convened with the minimum quorum of shareholders present behind closed doors in order to conduct the business of the meeting. Anyone seeking to attend the General Meeting in person will be refused entry. The location address set out in the Notice of the General Meeting is given in order to comply with legal requirements.

LSR Shareholders may submit any questions via email to the Company Secretary (bill.heaney@lsreit.com).

The Proposals are conditional on approval from LSR Shareholders of certain matters, which is being sought at the General Meeting. Notice of the General Meeting to be held at the offices of Locke Lord (UK) LLP, 201 Bishopsgate, London, EC2M 3AB at 10.00 a.m. on 21 October 2020 is set out at the end of this document.

Save where LSR Shareholders have opted to register proxy appointments electronically, a Proxy Form to be used in connection with the General Meeting is enclosed with this document. Whether or not you intend to attend the General Meeting in person, you are requested to complete the Proxy Form in accordance with the instructions printed on it and return it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by the Registrar, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by not later than 10.00 a.m. on 19 October 2020 (or, in the case of an adjournment, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting). If you hold LSR Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to

the Registrar, Equiniti Limited (CREST Participant ID RA19), so that it is received by not later than 10.00 a.m. on 19 October 2020 (or, in the case of an adjournment, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting). The completion and return of a Proxy Form or the submission of a CREST Proxy Instruction will not preclude you from attending and voting in person (in substitution for your proxy vote) at the General Meeting, or any adjournment thereof, if you wish to do so and are so entitled.

The distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Any person not in the United Kingdom into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Please read the whole of this document. A summary of the action to be taken by LSR Shareholders is set out in paragraph 12 of Part II (Letter from the Chairman) of this document and in the accompanying Notice of General Meeting.

A copy of this document is available for inspection on the Company's website www.localshoppingreit.co.uk.

For the avoidance of doubt, the contents of the website referred to in this document is not incorporated into and does not form part of this document.

This document is dated 28 September 2020.

IMPORTANT NOTICE

Forward-Looking Statements

This document includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipates”, “believes”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “should” or “will”, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document reflect the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group and its operations and results of operations. Other than in accordance with its legal or regulatory obligations (including under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the rules of the London Stock Exchange), the Company is not under any obligation and the Company expressly disclaims any intention or obligation (to the maximum extent permitted by law) to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Rounding

Certain figures included in this document 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 document is intended as a profit forecast, estimate or quantified financial benefits statement for any period and no statement in this document should be interpreted to mean that cash flow from operations, free cash flow, earnings or earnings per share for the Company 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 the Company.

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EXPECTED TIMETABLE

Proposed Transfer announced	28 September 2020
Publication of this document	28 September 2020
Latest time and date for receipt of CREST Proxy Instructions, Proxy Form or electronic registration of a proxy appointment for the General Meeting	10.00 a.m. on 19 October 2020
General Meeting ⁽¹⁾	10.00 a.m. on 21 October 2020
Expected date upon which the Proposed Transfer will become effective	The Company will give at least 20 business days' notice by RIS announcement of the date that the transfer will become effective and the earliest date the transfer can become effective is 19 November 2020

Notes

1. The timetable assumes that there is no adjournment of the General Meeting. If there is an adjournment of the General Meeting, all subsequent dates are likely to be later than those shown.
2. References in this document are to London times unless otherwise stated.
3. If any of the above times and/or dates change, the revised times and/or dates will be notified to LSR Shareholders by an announcement through the Regulatory Information Service of the London Stock Exchange.

PART I

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

Articles or Articles of Association	the articles of association of the Company, as amended from time to time;
Board or Directors	the board of directors of the Company from time to time;
Business Day	a day other than a Saturday or Sunday or public holiday in England and Wales on which banks are open in London for general commercial business;
CA 2006	the Companies Act 2006, as amended from time to time;
certificated or in certificated form	a share or other security which is not in uncertificated form (i.e. not in CREST);
Circular or this document	this circular document;
Company or LSR	The Local Shopping REIT Plc, a public limited company incorporated in England and Wales with registered number 05304743 whose registered office is at Eastleigh Court, Bishopstrow, Warminster BA12 9HW;
CREST	the paperless settlement procedure operated by Euroclear enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;
CREST Manual	the rules governing the operation of CREST as published by Euroclear and as amended from time to time;
CREST Member	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
CREST Participant	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
CREST Proxy Instruction	a proxy appointment or instruction made via CREST authenticated in accordance with Euroclear's specifications and containing the information set out in the CREST Manual;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;
CREST Sponsor	a CREST Participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations);
CREST Sponsored Member	a CREST Member admitted to CREST as a sponsored member;
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made under Part VI of FSMA (and contained in the FCA's publication of the same name), as amended from time to time;
Equiniti	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA;
Existing Share Capital	means the 31,861,414 LSR Shares currently in issue;
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST;
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom;
Form of Proxy or Proxy Form	the personalised form of proxy accompanying LSR Shareholders' copies of this document for use by a LSR Shareholder in connection with the General Meeting (or other form of proxy provided by or on behalf of the Company or use by a LSR Shareholder in connection with the General Meeting);
FSMA	the Financial Services and Markets Act 2000, as amended from time to time;

General Meeting	the general meeting of the Company to be held at the offices of Locke Lord (UK) LLP, 201 Bishopsgate, London, EC2M 3AB at 10.00 a.m. on 21 October 2020 (or any adjournment thereof), notice of which is set out at the end of this document;
Group	the Company and its subsidiaries and subsidiary undertakings;
HMRC or HM Revenue & Customs	HM Revenue & Customs;
ISIC	the International Standard Industrial Classification of All Economic Activities;
Irrevocable Undertaking	the irrevocable undertaking entered into by the Company, Thalassa and the Thalassa Board on 25 September 2020 pursuant to which, amongst other things, Thalassa has agreed to support the Proposals;
Latest Practicable Date	25 September 2020, being the latest practicable date prior to the publication of this document;
Listing Rules	the listing rules made under Part VI of FSMA (and contained in the FCA's publication of the same name), as amended from time to time;
London Stock Exchange	London Stock Exchange plc;
LSR Shareholders	holders of LSR Shares from time to time (and each a LSR Shareholder);
LSR Shares	ordinary shares of £0.01 each in the capital of the Company (and each a LSR Share);
Main Market	the main market for listed securities maintained by the London Stock Exchange;
MAR or Market Abuse Regulation	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
Member Account ID	the identification code or number attached to any member account in CREST;
Name Change	the proposed change of the Company's name to Alina Holdings Plc;
New Strategy	the new business strategy for the Company as described in paragraph 3 of Part II of this document;
Notice or Notice of General Meeting	the notice of the General Meeting which is set out at the end of this document;
Official List	the list maintained by the FCA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;
Participant ID	the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant;
Premium Listing or Premium segment	the "Premium Listing (commercial company)" segment of the Official List of the FCA;
Proposals	the Proposed Transfer; the Name Change and the Resolutions to be proposed at the General Meeting;
Proposed Transfer	the proposed transfer of the LSR Shares out of the category of a "Premium Listing (investment company)" on the Official List and into the category of a "Standard Listing (shares)" on the Official List;
Prospectus Regulation	Regulation (EU) 2017/1129;
Prospectus Regulation Rules	the prospectus regulation rules of the FCA made in accordance with section 73A of FSMA;
QCA Code	means the corporate governance code (2018) published by the Quoted Companies Alliance (as the same may be amended or revised from time to time);
Registrar	the Company's registrar; Equiniti;
Regulatory Information Service	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;

Resolutions	the ordinary and special resolutions to approve, inter alia, the Proposed Transfer to be proposed at the General Meeting, as set out in the Notice of General Meeting;
Standard Listing or Standard segment	the “Standard Listing (shares)” segment of the Official List;
Takeover Code	the UK City Code on Takeovers and Mergers;
Tender Offer	the Company’s share buy-back effected in September 2019, as more particularly described in the circular to LSR Shareholders dated 25 July 2019;
Thalassa	Thalassa Holdings Ltd;
Thalassa Board	the board of directors of Thalassa;
Transfer Resolution	the special resolution numbered 1 to be proposed at the General Meeting, as set out in the Notice of General Meeting;
Thalassa Return of Capital	the proposed return of capital by Thalassa resulting from the Thalassa Share Redemption which was approved by the Thalassa Board and notified to Thalassa’s shareholders on 28 September 2020;
Thalassa Share Redemption	the redemption of shares in the capital of Thalassa;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;
UKLA	the FCA acting in its capacity as the United Kingdom Listing Authority;
uncertificated or in uncertificated form	recorded on the register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and
US or United States	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction.

PART II

LETTER FROM THE CHAIRMAN

THE LOCAL SHOPPING REIT PLC

(Registered in England and Wales with registered number 05304743)

Directors:

Mr Charles Duncan Soukup
Mr Gareth Edwards

Registered Office:

Eastleigh Court
Bishopstrow
Warminster
BA12 9HW

Dear LSR Shareholder

**Proposed transfer of the Company's listing category
on the Official List from Premium to Standard**

Proposed change of name to Alina Holdings Plc

Notice of General Meeting

1. Introduction

On 28 September 2020, the Company announced:

- the proposed transfer of the Company's listing category on the Official List out of the category of a "Premium Listing (investment company)" on the Official List and into the category of a "Standard Listing (shares)" on the Official List; and
- the proposed change of name of the Company to Alina Holdings Plc.

Under the Listing Rules, the Proposed Transfer requires the Company to obtain the prior approval of a majority of not less than 75 per cent. of all Shareholders voting (whether in person or by proxy) on the Transfer Resolution at the General Meeting.

The purpose of this document is to:

- explain to you the Proposed Transfer, which the Directors believe is of significant importance to the Company;
- explain the Board's proposed new strategy for the Company;
- to explain why the Directors consider the Proposals to be in the best interests of the Company and LSR Shareholders as a whole; and
- to seek the approval of LSR Shareholders at the General Meeting for the Proposed Transfer.

The Notice of General Meeting is set out at the end of this document.

2. Background to the Proposals

Trading in the Company's shares on the London Stock Exchange was suspended on 18 September 2019 following the Tender Offer which resulted in the Company's largest shareholder, Thalassa, owning approximately 92.62 per cent. of the Company's issued share capital (excluding shares held in treasury). This meant that the Company no longer complied with the 'free float' requirement of the Listing Rules for a minimum of 25 per cent. of a listed company's issued share capital to be in public hands.

The Board has been considering a range of potential options with a view to removing the suspension of trading in the Company's shares and believes the Proposed Transfer combined with the Thalassa Return of Capital, to be both the means to achieve this and in the best interests of LSR Shareholders.

Following discussions between the Board and the Thalassa Board, the Board is satisfied that the Company will be able to comply with the Listing Rules free float requirement as a result of the Thalassa Return of Capital.

Under the terms of the Thalassa Return of Capital, approximately 21,019,500 of the 21,021,277 LSR Shares currently held by it will be transferred by Thalassa to its shareholders. Based on an analysis of the Thalassa shareholder register as at the Latest Practicable Date, the Board anticipates that following the Thalassa Return of Capital, approximately 37.10% of LSR Shares will be in public hands.

Implementation of the Proposals, and in particular the Proposed Transfer is therefore subject to Thalassa carrying out the Thalassa Return of Capital prior to the Transfer taking effect. It is expected that the LSR Shares will be transferred by Thalassa to its shareholders pursuant to the Thalassa Return of Capital immediately prior to, but subject to (a) the passing of the Resolution at the General Meeting; and (b) the Proposed Transfer becoming effective.

In support of the Proposals, the Company, Thalassa and the Thalassa Board have entered into the Irrevocable Undertaking, pursuant to the terms of which Thalassa has undertaken to vote in favour of the Resolution at the General Meeting and the Thalassa Board has undertaken to take all necessary steps to enable the Thalassa Share Redemption and Thalassa Return of Capital to be undertaken, subject to: (a) the passing of the Resolutions at the General Meeting; and (b) the Proposed Transfer becoming effective. Further details of the Irrevocable Undertaking are set out in paragraph 5 below.

Prior to the Tender Offer, the Company's stated strategy was to seek to liquidate its property portfolio and return cash to shareholders and, as a result, no new property acquisitions have been carried out by the Company for a considerable period of time. Upon completion of the Tender Offer and the resulting Board changes, the engagement of the property investment manager, Principal Real Estate Limited, was terminated on 24 November 2019.

As a result of the above, the Company has ceased to be an actively managed investment company with an acquisitive investment strategy and has already been restructured substantially away from being an investment fund into an entity which is in all material respects an operating business. In continuance of the restructuring of the Company, the Board sets out below a new strategy to complete the Company's transformation into a commercial company and which the Board intends to pursue following the Proposed Transfer:

In conjunction with the New Strategy, the Company is proposing to change its name to Alina Holdings Plc and accordingly, conditional upon the Proposed Transfer taking effect, pursuant to Article 4 of the Articles of Association, the Board has resolved to change the name of the Company to Alina Holdings Plc. Following the Name Change becoming effective, the LSR Shares will be traded under the Company's new ticker ALNA.

3. New Strategy

Subject to the Proposed Transfer taking effect, the Company intends to pursue the New Strategy. The Company intends to identify and acquire interests in potential target businesses which are, in the opinion of the Directors, capable of delivering long term value for LSR Shareholders. The Company intends to seek to acquire controlling stakes or all of the equity in target companies, businesses or assets, enabling it to take operational control to integrate and develop the target business, but may equally consider making investments or acquiring interests in businesses or assets that do not confer voting control where the Directors consider that the investment opportunity is sufficiently attractive and are satisfied that the Company can exert sufficient influence over the management of the target business or investment to implement its strategy (for example, via board appointment rights or veto rights or other forms of protection). There will be no limit on the number of such potential investments or acquisitions the Company may make and the Company may invest in a number of propositions or in just one investment. Acquisitions or investments may take the form of equity, equity-linked securities, debt or other structured finance in potential target businesses.

The Board has identified European leisure and entertainment as the Company's initial target sector (including but not limited to ISIC codes 50 (water transport), 55 (accommodation), 56 (food and beverage) and 90 (creative arts and entertainment)), and will predominantly focus on transactions within those activities. Whilst the Board will consider a range of potential business and assets for acquisition or investment, the initial focus will likely be on leisure hospitality. The Company has no specific preferred country or countries in Europe which it intends to concentrate on, however, acquisition or investment targets will most likely be located in less developed destinations, which the Board considers to offer the best potential for capital appreciation. The Board sees the impact of COVID-19 on the leisure and entertainment sector as an opportunity as businesses struggle to generate positive free cash flow and may have had to postpone or cancel development and expansion initiatives.

Given the Company's existing cash resources, the Company may also seek to use its own shares as consideration for investment or acquisition opportunities or otherwise undertake an equity fundraising in order to execute such investments or acquisitions. The Company will look to deploy capital into such opportunities and to benefit from depressed valuations, as and when available. The Company will act as a holding company and will not seek to accumulate a widely diversified portfolio of assets in multiple sectors and geographic locations nor will it act as an investment fund.

Having deployed available capital as set out above, the objective of the Company will be: (a) to operate its acquired businesses and implement an operating strategy with a view to generating value for shareholders through operational expansion and improvements as well as potentially through additional complementary transactions; and (b) to carefully monitor its investments where the investment does not confer voting control and influence the development and capital appreciation of such investments. The Company is likely to inject further capital into companies, businesses or assets that it has acquired or invested in in order to accelerate growth.

It is the Directors' intention to continue to actively manage the current property portfolio alongside the New Strategy at least until the current uncertainty overhanging the UK property market has ended. The current portfolio of six properties (one of which is considered held for sale) comprises a mixture of freehold and leasehold interests, in both commercial and residential units and situated in the South, West and North of the United Kingdom. The Directors note that the tenants in a number of the commercial units operate in the leisure and entertainment sector. The Directors will continue to monitor conditions in the UK property market and will sell properties only when they consider that it is in the best interests of the Company's shareholders to do so.

The Directors believe that their broad collective business experience in the areas of acquisitions, corporate finance, corporate and financial management in the UK and internationally, will assist them in the identification and evaluation of suitable investment opportunities and will enable the Company to pursue the New Strategy successfully. The Directors will undertake the initial project assessments themselves with additional independent technical and specialist advice as they may require from time to time. The Company proposes carrying out a comprehensive and thorough investment review and due diligence process. All suitable investment opportunities will be presented to the Board who will collectively take decisions on any investments. It is considered that the Board's collective experience is sufficient for managing implementation of the Company's New Strategy at this stage of its development. It is however intended that appropriate additional Board appointments may be made upon the completion of investments and/or acquisitions.

An acquisition or investment by the Company may be treated as reverse takeover under Chapter 5 of the Listing Rules. In assessing whether the transaction may amount to a reverse takeover due to its size, the Company must apply the class tests set out in Annex 1 of Chapter 10 of the Listing Rules. It should be further noted that if, as at the date on which such class tests are calculated, the Company's assets consist wholly or predominantly of cash (note that as at 31 March 2020, the Company's cash balance was £4.02m and as at 30 September 2019, its property portfolio was valued at £3.12m), then such cash assets will be excluded in carrying out the relevant class test calculations. This may increase the chance of any acquisition or investment carried out by the Company amounting to a reverse takeover due its size.

Any acquisition or investment undertaken by the Company will also need to be considered as to whether it will, in substance, result in a change in board or voting control of the Company, or which would individually or collectively, result in a fundamental change in the Company's business and therefore be treated as a reverse takeover. Any transaction carried out by the Company resulting in it having a controlling stake or owning 100% of the equity of a target business will likely be treated as a reverse takeover.

If an acquisition or investment is treated as a reverse takeover for the purposes of Chapter 5 of the Listing Rules, the Company will need to seek re-admission of the enlarged business to listing on the Official List (Standard Listing) and trading on the London Stock Exchange, or to the AIM Market operated by London Stock Exchange, or to another stock exchange. Subsequent acquisitions or investments may also be treated as reverse takeovers depending on their size and nature.

The Company's primary objective will be to secure the best possible value for LSR Shareholders, consistent with achieving, over time, both capital growth and income for LSR Shareholders through developing profitability coupled with dividend payments on a sustainable basis.

Your attention is also drawn to Part IV "Risk Factors" of this document, which sets out and describes certain risks that LSR Shareholders should consider carefully when deciding whether or not to vote in favour of the Resolutions to be proposed at the General Meeting.

4. Reasons for the Proposed Transfer

Under the Listing Rules, there are two principal categories of listing available for the equity shares of companies traded on the Main Market of the London Stock Exchange, where the Company has had its Premium Listing as an investment company since its IPO in June 2007. There is the Standard segment that complies fully with the relevant European directives, as adopted by all member states in the European Union (prior to Brexit); and the Premium segment to which the FCA applies a wide range of additional 'super-equivalent' provisions.

As the Company had elected to be a 'Real Estate Investment Trust' and carried on a business of a property investment company, it was required to maintain a listing on the Premium segment (investment company).

The recent changes to the Company's business away from investment fund activities and towards a traditional operating company mean that the Company is no longer an investment entity whose business meets the requirements of Listing Rule 15 and therefore the Company considers it appropriate to transfer its listing category. The Company will also no longer qualify as a REIT for the relevant rules set out for such entities by HMRC. Further details of the effect of the Company leaving the REIT regime are set out below in paragraph 9 (Taxation).

The Directors also consider that a transfer to the Standard segment would be more consistent with the Company's size and structure due to the reduction in compliance costs and the greater degree of regulatory flexibility that a Standard listing would provide. Given the changes to the Company's business that have already taken place and the New Strategy, the Directors believe

that it is also an appropriate time to ask Shareholders to vote on the Proposed Transfer and to move the Company to a Standard Listing.

The Company's current size means that, were the Company to successfully transfer its listing category to a Premium listed commercial company (currently the Company would not be eligible for such a Premium Listing), possible transactions are likely to require Shareholder approval requiring the production of a shareholder circular; the calling of a general meeting and the involvement of advisers such as a sponsor, accountants and lawyers. This also takes up significant management resource and leads to significant additional costs and delays. Because of the Company's reduced market capitalisation (approximately £7.11 million as at 17 September 2019 being the latest practicable date prior the date when the Company's shares were suspended), were the Company to maintain a Premium segment listing, even quite small transactions could be classified as class 1 transactions or fall under Chapter 11, Related Party transactions. The Board has carefully considered the commercial requirements of the Company in the medium term and believes that the additional regulatory requirements imposed by maintaining a listing on the Premium segment are not in the best interests of the Company even if the Company could satisfy the eligibility requirement for Premium Listing.

Continued compliance with all of the requirements of a Premium Listing may substantially limit the Company's flexibility in its implementation of its New Strategy, imposing what the Board regards as disproportionate and inappropriate financial and process burdens on the Company. These could introduce conditions and delays into otherwise straightforward and relatively modest transactions thus potentially making such transactions unattractive to counterparties.

Companies on the Standard segment of the Official List are not required to classify transactions or to seek shareholder approval for them. By moving to a listing on the Standard segment, the Company would therefore have both greater flexibility in its current funding requirements and would not be required to incur the substantial costs and go through a burdensome administration process associated with repeated publication of circulars to approve individual transactions. The Board believes that having regard to the recent market capitalisation of the Company, its shareholder base and its business plans in the medium term, a transfer of the Company's listing to the Standard segment of the Official List is attractive. It provides continued trading on the Main Market of the London Stock Exchange, represents the best balance between, on the one hand, the positive benefits of the potential for greater liquidity and access to capital offered by a Main Market listing and, on the other, the greater flexibility and reduced direct and indirect costs of compliance associated with the Standard segment of the Official List.

As such, the Board is of the opinion that the Proposed Transfer is imperative to pursuing the New Strategy.

Under the Listing Rules, the Proposed Transfer requires the Company to first obtain the prior approval of the Shareholders. The approval of a majority of not less than 75 per cent. of all Shareholders voting (whether in person or by proxy) at the General Meeting will be required to pass the Transfer Resolution.

Pursuant to the Listing Rules, the date of transfer of listing category must not be less than 20 Business Days after the passing of the Transfer Resolution. The Board proposes to apply as soon as possible for the transfer to be effected and so, subject to the passing of the Resolutions and agreement by the FCA, it is anticipated that the date of transfer will be on or around 19 November 2020. The LSR Shares will, on completion of the Proposed Transfer, continue to be traded on the Main Market, but under the designation "Listed: Standard".

If the Proposed Transfer does not occur because LSR Shareholders do not vote in favour of the Resolutions, the Company's listing will remain suspended and because, in its current form, the Company is not eligible to maintain a Premium listing, if the Proposed Transfer does not take place the Company will put forward a resolution to cancel its listing as soon as practicable and take steps to delist the LSR Shares.

The Proposed Transfer will only go ahead if approved by Shareholders by the requisite majority as set out in paragraph 10 below.

The transfer to the Standard Listing still requires the Company to provide comfort with regard to its ongoing viability and also to satisfy the FCA with regard to its obligations under the Listing Rules. The Directors believe this will be possible once the Resolutions have been approved by Shareholders, however the Proposed Transfer is not certain and it may be that the FCA do not agree that the Company can maintain a listing on the Official List.

5. Irrevocable Undertaking

On 25 September 2020, the Company, the Company's controlling shareholder, Thalassa and the Thalassa Board announced that they had entered into the Irrevocable Undertaking, pursuant to which, amongst other things, Thalassa has agreed to support the Proposals.

Pursuant to the Irrevocable Undertaking, Thalassa has undertaken, amongst other things:

- to vote, or procure the vote, in favour of the Resolutions;
- not to take any action which is or may be prejudicial to the successful outcome of the Proposals or which would or might

have the effect of preventing any of the terms or conditions of the Proposals from being fulfilled.

In addition, the Thalassa Board has undertaken to take all necessary steps to effect the Thalassa Share Redemption and the Thalassa Return of Capital.

The Irrevocable Undertaking will lapse in the event that:

- the Board withdraws its recommendation to vote in favour of the Resolutions to implement the Proposals before the General Meeting is held; or
- the Proposals or the Resolutions to be proposed at the General Meeting (or any adjourned meeting) are/is not approved by the requisite majority of LSR Shareholders at the General Meeting (or any adjourned meeting).

6. Current trading and prospects

On 29 January 2020, the Company announced its audited results for the year ended 30 September 2019. On 24 June 2020 the Company issued its unaudited interim report for the six months ended 31 March 2020. Both the annual report for 30 September 2019 and the interim report for 31 March 2020 are available on the Company's website at <http://www.localshoppingreit.co.uk/investor-relations/shareholder-reports>. The Directors confirm that there has been no material change in the financial performance of the Company since 31 March 2020, however the attention of LSR Shareholders is drawn to the comments below in relation to the impact of the COVID-19 outbreak on its business.

In view of the market uncertainty and the operational restrictions arising from the COVID-19 outbreak, the Directors have not considered it appropriate to carry out a fresh valuation of the property portfolio at the half-year (although inevitably the pandemic will have had a negative effect on the value of the Company's properties at 31 March 2020). The next valuation of the Company's existing property portfolio will be carried out at the end of the Company's current financial year, 30 September 2020.

The Company's management and operational systems, which already supported remote working, was largely unaffected by the COVID-19 outbreak. The Company's positive cash balances mean that its financial stability has not been unduly affected by COVID-19.

Many of the Company's tenants were unable to trade as a result of the lockdown imposed by the UK Government in response to the COVID-19 outbreak. The Company contacted all of its small business tenants immediately after the lockdown announcement, to offer assistance in applying for the grants and business rates relief made available by the UK Government and many were successful in doing so. Nevertheless, the closure of tenants' premises inevitably impacted on their ability to make rent payments. The Company has therefore been in regular dialogue with tenants who have been unable make rent payments in full as they fall due. Most of the tenants' businesses have reopened and rent payments can be expected to resume their standard pattern over the coming months. The Company's policy in relation to the rent arrears that have arisen as a result of the COVID-19 lockdown is to take a sympathetic and flexible approach, agreeing rent payment plans whereby rent arrears are paid off commensurate with a tenant's ability to pay as their businesses recover. Levels of rents received for the March – June and July – September quarters are in line with the Company's current expectations having regard to the impact of COVID-19.

7. Implications for the Group and its trading arrangements

The transfer to Standard Listing will not affect the way in which Shareholders buy or sell LSR Shares and, following the transfer, existing share certificates in issue in respect of LSR Shares will remain valid. The LSR Shares will also continue to be eligible to be held in ISAs (individual savings accounts) and SIPPs (self-invested personal pensions). As for a company with a Premium Listing, a company with a Standard Listing is still required to have a minimum of 25 per cent. of its shares in public hands and will continue to be obliged to publish a prospectus when issuing new shares to the public unless such issue falls within one of the permitted exemptions. Companies with a Standard Listing are also still required to disclose inside information to the market and to comply with the provisions of the Disclosure Guidance and Transparency Rules, including to make notifications of dealings in shares. They must also prepare annual audited financial reports, half yearly financial reports and interim management statements to the same standards and within the same timeframe as companies with a Premium Listing are required to do.

A more detailed summary of the differences between the regulatory requirements of companies with a Standard Listing and those with a Premium Listing is contained at Part III of this document. While the LSR Shares have a Standard Listing, they will not be eligible for inclusion in the UK series of FTSE indices.

The higher level of regulation contained in the 'super-equivalent' provisions referred to in paragraph 4 above has been designed to offer shareholders in Premium Listed companies additional rights and protections. Accordingly, investors should be aware that any investment in a company that has a Standard Listing is likely to carry a higher risk than an investment in a company with a Premium Listing.

8. Corporate governance following the Proposed Transfer

As a company with a Standard Listing the Company will not be required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to maintaining high standards of corporate governance and will therefore voluntarily adopt the QCA Code following the completion of the Proposed Transfer. In doing so, the Company will follow a corporate governance framework, including board leadership and effectiveness, remuneration and internal control, which the Board believes is proportionate to the risks inherent to the size and complexity of the Company's operations.

The provisions of the Takeover Code will also continue to apply to the Company.

9. Taxation

The following comments do not constitute tax advice and are intended only as a guide to current United Kingdom law and HMRC'S published practice (which are both subject to change at any time, possibly with retrospective effect). they relate only to certain limited aspects of the United Kingdom taxation treatment of LSR Shareholders who are resident in the United Kingdom for United Kingdom tax purposes (and, if individuals, domiciled in and only in the United Kingdom for United Kingdom tax purposes), who hold, and will hold, their LSR Shares as investments (and not as assets to be realised in the course of a trade, profession or vocation). they may not relate to certain LSR Shareholders, such as dealers in securities or shareholders who have (or are deemed to have) acquired their ordinary shares by virtue of an office or employment or shareholders who are treated as holding their ordinary shares as carried interest.

Loss of REIT status

The Proposed Transfer will result in LSR ceasing to be within the REIT regime. The main effects of this are as follows:

- the Company will lose the benefit of the corporation tax exemption in respect of profits generated by its qualifying property rental business;
- dividends to LSR Shareholders out of future profits will no longer be eligible to be classified as Property Income Distributions ("PIDs") and will instead be taxed as normal dividends as above. PIDs are subject to income or corporation tax as if the shareholder had received the underlying rental income;
- distributions of previously undistributed REIT profits will still be PIDs;
- the REIT will be deemed to have sold and re-acquired its property assets within the REIT regime at market value. This will generate neither a chargeable gain nor loss and effectively rebases the proper ties at current market value for the purposes of future disposals; and
- losses of the Company's qualifying property rental business cannot be carried forward for offset against future profits.

10. General Meeting

Implementation of the Proposals requires the approval of the Proposed Transfer by LSR Shareholders at the General Meeting. Accordingly, the Notice of General Meeting is set out at the end of this document convening the General Meeting to be held at the offices of Locke Lord (UK) LLP, 201 Bishopsgate, London, EC2M 3AB at 10.00 a.m. on 21 October 2020.

The Company would like to propose the following Resolutions at the General Meeting:

Resolution 1 - approval of the Proposed Transfer

Resolution 1 is proposed as a special resolution to approve the Proposed Transfer, as required by Listing Rule 5.4A.4R(3)(a).

Resolution 2 - general authority to allot shares

Resolution 2 is proposed as an ordinary resolution to grant the Directors a general authority to allot and issue shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company up to an aggregate amount equal to 30 per cent. of the Existing Share Capital which shall expire on the earlier of the date 15 months following the passing of the Resolution and the next annual general meeting of the Company.

Resolution 3 - disapplication of pre-emption rights

Resolution 3 is proposed as a special resolution to generally disapply statutory pre-emption rights in respect of the Directors authority to allot equity securities in the Company to be conferred by Resolution 4:

- (a) in connection with a rights issue or other pre-emptive offer so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders or entitlements to fractions;

(b) and otherwise in connection with any equity securities to be allotted and issued up to an aggregate amount equal to 10 per cent. of the Existing Share Capital,

and which shall expire on the earlier of the date 15 months following the passing of the Resolution and the next annual general meeting of the Company.

Resolution 2 is being proposed as an ordinary resolution and require a simple majority of those votes cast (by persons present in person or by proxy) at the General Meeting to be in favour of the resolution for the resolution to be passed. Resolutions 1 and 3 are being proposed as special resolutions and require approval by not less than three-quarters of the votes cast (by persons present in person or by proxy) at the General Meeting for the resolution to be passed.

In the event that the Resolutions are not passed, the Company may not be able to complete the Proposals.

Please refer further to the instructions set out in paragraph 12 below in relation the General Meeting.

11. Further information

Your attention is drawn to the risk factors set out in Part IV of this document. You are advised to read the whole of this document.

12. Action to be Taken

Due to the UK Government's recommendations in light of the ongoing COVID-19 pandemic and public health risk, and to ensure compulsory social distancing measures and hygiene precautions are maintained, the Board has determined that the General Meeting will be convened with the minimum quorum of shareholders present behind closed doors in order to conduct the business of the meeting and there will not be a business presentation or question and answer session. Anyone seeking to attend the General Meeting in person will be refused entry. The location address set out in the Notice of the General Meeting is given in order to comply with legal requirements.

The results of the poll votes on the Resolutions will be announced, in the normal way, as soon as practicable after the conclusion of the General Meeting.

LSR Shareholders are requested to therefore submit their votes in respect of the business to be discussed, electronically or by post in advance, as set out in the Notice of Meeting. Votes should be submitted via proxy as early as possible and LSR Shareholders should appoint the Chair of the meeting as their proxy. If a LSR Shareholder appoints someone else as their proxy, that proxy will not be able to attend the meeting in person or cast the LSR Shareholder's vote.

LSR Shareholders may submit any questions via email to the Company Secretary (bill.heaney@lsreit.com).

If the Company considers it appropriate to adjust the arrangements for its General Meeting as a result of further UK Government guidance, we will communicate this at the earliest possible opportunity. LSR Shareholders are advised to check the Company website for the latest position.

You will find enclosed with this document a Proxy Form for use in connection with the General Meeting or any adjournment thereof. It is important that LSR Shareholders have the opportunity to vote, even if they are unable to come to the General Meeting including due to the aforementioned restrictions on attendance. You are requested to complete and return the Proxy Form in accordance with the instructions printed on it so as to be received by the Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible and, in any event, by not later than 10.00 a.m. on 19 October 2020 (or, in the case of an adjournment, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting).

If you hold LSR Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar, Equiniti (CREST Participant ID RA19), by not later than 10.00 a.m. on 19 October 2020 (or, in the case of an adjournment, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting).

Unless the Proxy Form or CREST Proxy Instruction (as applicable) is received by the relevant date and time specified above, it will be invalid. Completion and return of the Proxy Form or the submission of a CREST Proxy Instruction will not preclude you from attending and voting in person at the General Meeting if you wish to do so and are so entitled, however LSR Shareholders should take note of the restrictions on attendance referred to in paragraph 10.

13. Recommendation

The Board reiterates its belief that, in view of the Irrevocable Undertaking entered into by Thalassa and the support it has expressed for them, the Proposals are in the best interests of the LSR Shareholders as a whole.

If the Proposals do not proceed for any reason, it is likely that the Company's listing will remain suspended and should the Company not meet the requirements of the Listing Rules for the Company to be a Premium Listed company, the Company will put forward a resolution to cancel its listing as soon as practicable and take steps to delist. In such a situation, the Directors will consider alternative strategies for the Company.

The Board considers the Proposals and the Resolutions to be in the best interests of LSR Shareholders as a whole. Accordingly, the Board unanimously recommends that LSR Shareholders vote, or procure the vote, in favour of the Resolutions to be proposed at the General Meeting.

If you are in any doubt about the contents of this document or the action you should take, you should immediately seek your own professional advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Yours sincerely

Duncan Soukup

Chairman

PART III

A SUMMARY OF THE DIFFERENCES BETWEEN STANDARD AND PREMIUM CATEGORIES OF LISTING, AS THEY APPLY TO THE COMPANY

The following paragraphs set out the differences in the regulations applying to Standard Listings and Premium Listings, taking account of their application to the Company.

1. Companies with a Premium Listing are required to retain a sponsor for certain transactions and to consult a sponsor if proposing to enter into certain transactions in which the appointment of a sponsor might be required, in order to obtain guidance as to the application of the Listing Rules and Disclosure Guidance and Transparency Rules to such transaction. Companies with a Standard Listing are only required to appoint a sponsor if they wish to transfer their listing to the Premium Listing.
2. Companies with a Standard Listing are required to comply with the two Listing Principles contained in Listing Rule 7.2.1, which require companies to (i) establish and maintain adequate procedures, systems and controls to enable them to comply with their obligations; and (ii) deal with the FCA in an open and co-operative manner. However, they are not required to comply with the additional six Premium Listing Principles contained in Listing Rule 7.2.1A, which only apply to companies with a Premium Listing.
3. Companies with a Standard Listing are not required to comply with the provisions of Chapter 10 of the Listing Rules in relation to Significant Transactions. Chapter 10 sets out requirements for shareholders to be provided with certain details in respect of Significant Transactions which exceed certain class test ratios and to approve certain larger Significant Transactions which exceed certain class test ratios, commonly referred to as “class 2 transactions” and “class 1 transactions” respectively. Following the transfer to a Standard Listing, the Company would be able to undertake “class 1 transactions” without seeking shareholder approval (unless required for some other reason).
4. Companies with a Standard Listing are not required to comply with the provisions of Chapter 11 of the Listing Rules for Related Party Transactions. Chapter 11 sets out requirements for certain transactions with related parties (such as substantial shareholders, directors and their associates) to be reviewed by a sponsor, who must confirm that the terms are fair and reasonable as far as shareholders are concerned, with larger Related Party Transactions also being conditional upon receipt of shareholder approval (any relevant related party and its affiliates must refrain from voting on the relevant resolution).
5. Companies with a Standard Listing are not required to comply with Chapter 12 of the Listing Rules, which applies to companies dealing in their own securities; however, any dealings in the Company’s securities will continue to be subject to other general restrictions including those included in the Market Abuse Regulation.
6. The UK Corporate Governance Code does not apply directly to companies with a Standard Listing. As set out in paragraph 8 of Part II, the Company has stated its intention to comply with the requirements of the QCA Code following completion of the Proposed Transfer. The Company will be free as a company with a Standard Listing to change its intentions at any time without prior Shareholder approval. Many companies with a Standard Listing would still be required to comply with Disclosure Guidance and Transparency Rules 7.2 by virtue of Listing Rule 14.3.24, which would require certain statements to be made in respect of various corporate governance practices.
7. A company with a Standard Listing is not required to comply with the more extensive requirements relating to the content of circulars issued to shareholders of companies with a Premium Listing as detailed in Chapter 13 of the Listing Rules.
8. There are a number of miscellaneous continuing obligations imposed by Chapter 9 of the Listing Rules for companies with a Premium Listing which do not apply to companies with a Standard Listing:
 - (a) Listing Rule 9.5 contains a set of obligations on companies with a Premium Listing related to particular equity transactions. In particular, it sets out the requirements relating to rights issues, placings and other offers of securities; for example, the restriction whereby listed companies making an open offer, placing or issuing shares out of treasury may not apply a discount of more than 10 per cent. to the middle market price of those shares at the time of announcement of the securities offering (unless shareholder approval has been obtained);
 - (b) Companies with a Premium Listing, which are proposing to issue equity securities for cash or proposing to sell from treasury equity shares for cash, must first offer those equity securities to existing shareholders, unless shareholders

have authorised the disapplication of such pre-emption rights in accordance with Listing Rule 9.3.1 IR. However, the Company is a company incorporated in England and Wales and therefore remains subject to similar preemption rights requirements under the Companies Act 2006;

- (c) Companies with a Premium Listing are required to carry on an independent business as their main activity by virtue of Listing Rule 9.2.2A;
 - (d) Companies with a Premium Listing which have a “controlling shareholder” (i.e. a person who exercises or controls on their own or together with persons with whom they are acting in concert, 30 per cent. or more of the votes able to be cast on all or substantially all matters at general meetings of the listed company) are subject to various provisions (in Listing Rules 9.2.2AB — 9.2.2H) designed to ensure that the company can operate independently of the controlling shareholder. These provisions extend and complement the regime applicable to “substantial shareholders” which form part of the rules applicable to Related Party Transactions under Chapter 11 of the Listing Rules; and
 - (e) Companies with a Premium Listing are subject to restrictions (in Listing Rule 9.4.4) on the grant of discounted options to employees and directors except where the grant is pursuant to certain types of employee share scheme or is approved by shareholders.
9. Companies with a Standard Listing are not required to obtain the approval of shareholders for the cancellation of the listing. Companies with a Premium Listing are required to obtain the approval of shareholders; the same 75 per cent. approval threshold applies as for the Resolution for the Proposed Transfer.

PART IV

RISK FACTORS

LSR Shareholders should consider the following risks and uncertainties together with all the other information set out in this document as well as their personal circumstances prior to making any decision as to whether or not to vote in favour of the Proposals.

The risks described below are based on information known at the date of this document, but may not be the only risks to which the Group is or might be exposed in connection with the Proposed Transfer and New Strategy. Additional risks and uncertainties, which are currently unknown to the Company or that the Company does not currently consider to be material, may materially affect the business of the Group and could have material adverse effects on the business, financial condition, results and prospects of the Group. If any of the following risks were to occur, the business, financial condition, results of operations and prospects of the Group could be materially adversely affected and the value of the LSR Shares could decline and LSR Shareholders could lose all or part of the value of their investment in such LSR Shares.

RISKS ASSOCIATED WITH THE PROPOSED TRANSFER

Completion of the Proposed Transfer is subject to a condition which may not be satisfied or waived

Completion of the Proposed Transfer is conditional upon the approval of the LSR Shareholders. Although the Company has entered into the Irrevocable undertaking with Thalassa to secure Thalassa's support and cooperation, this condition cannot be satisfied if Thalassa does not carry through its obligation under the Irrevocable Undertaking. In its current form, the Company is not eligible to maintain a Premium listing, if the Proposed Transfer does not take place the Company will put forward a resolution to cancel its listing as soon as practicable and take steps to delist the LSR Shares. If the Company'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 an Investor's ability to realise some or all of its investment and/or the price at which such Investor can effect such realisation. There is unlikely to be a market for the Company's shares where they cease to be listed, traded or quoted.

RISKS RELATING TO THE COMPANY'S NEW STRATEGY

The Company's strategy will be to pursue future investments in the European leisure and entertainment sector. Should the Company successfully execute its strategy and acquire or invest in one or more businesses from each sector, the Board will be required to monitor such investments and the sector in which the investee/acquired business is operating. The Board is currently comprised of the Executive Chairman and one non-executive director, supported by the company secretary and consultants. Managing the assets and investments which the Company has in its portfolio at any given time will be challenging, particularly if there are a number of urgent or time-consuming issues to be addressed concurrently. Whilst the Company expects investee companies will provide it with regular management information, there may be occasions where an investee company is seeking the Company's approval on a particular investment decision or corporate action and, due to factors such as time pressure or deal confidentiality, the Company may not be in possession of all of the relevant information. This may result in the Company approving matters which ultimately may result in best value not being achieved from all investments.

The Company may be unable to hire or retain personnel required to support the Company. Following completion of an acquisition or investment, the Company will evaluate the personnel of the acquired business and may determine that it requires increased support to operate and manage the acquired business in accordance with the Company's overall business strategy. There can be no assurance that existing personnel of the acquired business will be adequate or qualified to carry out the Company's strategy, or that the Company will be able to hire or retain experienced, qualified employees to carry out the Company's strategy. The impact of any such consequences may be that returns generated by any such investments are reduced.

The Company may acquire assets in different jurisdictions

The Company may invest in or acquire assets which are not in the United Kingdom. Ensuring such targets are acquired or invested in with adequate legal protection for the Company and then monitoring those investments or acquisitions may be challenging depending on the jurisdiction concerned. There may also be adverse tax, regulatory or other consequences for LSR Shareholders which may differ for individual LSR Shareholders depending on their individual status and residence. The impact of any such consequences may be that returns generated by any such investments are reduced.

Due Diligence on potential investments and acquisitions

Any due diligence by the Company in connection with an investment or acquisition may not reveal all relevant considerations or liabilities of the target business, which could have a material adverse effect on the Company's financial condition or results of operations. The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to any potential Acquisition. The objective of the due diligence process will be to identify material issues which might affect the decision to proceed with any one particular acquisition target or the consideration payable for an investment or acquisition. The Company also intends to use information revealed during the due diligence process to formulate its business and operational planning for, and its valuation of, any target company or business. Whilst conducting due diligence and assessing a potential investment or acquisition, the Company will rely on publicly available information, if any, information provided by the relevant target company to the extent such company is willing or able to provide such information and, in some circumstances, third party investigations. There can be no assurance that the due diligence undertaken with respect to a potential investment or acquisition will reveal all relevant facts that may be necessary to evaluate such investment or acquisition including the determination of the price the Company may pay for an acquisition target, or to formulate a business strategy. Furthermore, the information provided during due diligence may be incomplete, inadequate or inaccurate. As part of the due diligence process, the Company will also make subjective judgments regarding the results of operations, financial condition and prospects of a potential opportunity. If the due diligence investigation fails to correctly identify material issues and liabilities that may be present in a target company or business, or if the Company considers such material risks to be commercially acceptable relative to the opportunity, and the Company proceeds with an investment or acquisition, the Company may subsequently incur substantial impairment charges or other losses. In addition, following an investment or acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could contribute to poor operational performance, undermine any attempt to restructure the acquired company or business in line with the Company's business plan and have a material adverse effect on the Company's financial condition and results of operations.

If the Company acquires less than either the whole voting control of, or less than the entire equity interest in, a target company or business, its decision-making authority to implement its plans may be limited and third party minority shareholders may dispute the Company's strategy

Although the Company may acquire the whole voting control of a target company or business, it may consider acquiring an interest constituting less than the whole voting control or less than the entire equity interest of that target company or business if such opportunity is attractive or where the Company (or its successor) would acquire sufficient influence to implement its strategy. If the Company acquires either less than the whole voting control of, or less than the entire equity interest in, a target company or business, the remaining ownership interest will be held by third parties. Accordingly, the Company's decision-making authority may be limited. Such third parties may also have interests which are inconsistent or conflict with the Company's interests, or they may obstruct the Company's strategy for the target or propose an alternative strategy. Any third party's interests may be contrary to the Company's interests. In addition, disputes among the Company and any such third parties could result in litigation or arbitration. Any of these events could impair the Company's objectives and strategy, which could have a material adverse effect on the continued development or growth of the acquired company or business.

The Company may decide to issue LSR Shares as consideration for an acquisition

The Company may issue LSR Shares as consideration for an acquisition. There is no guarantee that LSR Shares will be an attractive offer for the shareholders of any company or business which the Company identifies as a suitable acquisition opportunity. If the Company fails to identify a target company which is willing to accept share consideration, it may have to raise additional cash funds (or, if the circumstances require, use debt financing) and may be left with substantial unrecovered transaction costs, potentially including fees, legal costs, accounting costs, due diligence or other expenses which will affect the Company's ability to carry out future acquisitions. In addition, the existing LSR Shareholders' holdings will be subject to dilution as a result of the issue of LSR Shares to partly satisfy the consideration due in respect of an acquisition.

The Company may be unable to fund the operations of a target business if it does not obtain additional funding

If, following any investment or acquisition, the Company's cash reserves are insufficient, the Company will likely be required to seek additional equity or debt financing. The Company may not receive sufficient support from its existing LSR Shareholders to raise additional equity, and new equity investors may be unwilling to invest on terms that are favourable to the Company, or at all. Lenders may be unwilling to extend debt financing to the Company on attractive terms, or at all.

The Company may issue shares or convertible debt securities or incur indebtedness which may dilute the interests of LSR Shareholders or present other risks

Any issuance of LSR Shares, preferred shares or convertible debt securities may:

- significantly dilute the value of the LSR Shares held by existing LSR Shareholders;
- subordinate the rights of holders of LSR Shares if preferred shares are issued with rights senior to those of LSR Shares; or
- adversely affect the market prices of the LSR Shares.

Where LSR Shares, preferred shares or convertible debt securities are issued as consideration for any investment or acquisition, existing LSR Shareholders will have no pre-emptive rights with regard to the securities that are issued. The issuance of such LSR Shares, preferred shares or convertible debt securities is likely to materially dilute the value of the LSR Shares held by existing LSR Shareholders.

The Company may be subject to foreign investment and exchange risks

The Company's functional and presentational currency is sterling. As a result, the Company's consolidated financial statements carry the Company's assets in sterling. Any business the Company acquires may denominate its financial information in a currency other than sterling, conduct operations or make sales in currencies other than sterling. When consolidating a business that has functional currencies other than sterling, the Company will be required to translate, inter alia, the balance sheet and operational results of such business into sterling. Due to the foregoing, changes in exchange rates between sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

The Company may invest in or acquire unquoted companies, joint ventures or projects which, amongst other things, may be leveraged, have limited operating histories, have limited financial resources or may require additional capital

All or any of these factors may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. For investments in companies which are at a relatively early stage of development, there can be no assurance that successful operations will develop and such operations may require the injection of further capital that the Company is unable or unwilling to meet, which could have a material adverse effect on the Company. Investments in unquoted companies and companies quoted on exchanges other than the Official List may involve a higher degree of risk and LSR Shareholders may have fewer regulatory protections than investments on the Official List. The shares of such companies may also be less liquid which could affect the Company's ability to realise its investment. The companies in which the Company may invest will be subject to market factors and as such may experience decreased revenues, financial losses and requirements for additional funding. Whilst the Company is intending to invest for the longer term and thus many of these risks may be mitigated over time, there remains a risk that the requirements of the Company's investments may have a negative impact on the operating performance of the Company.

Competition

The Company's intended activities are within a competitive market. The Company will be competing with private equity funds, hedge funds, private debt funds, corporate acquirers and other listed companies which are seeking to acquire majority stakes in or the whole of target businesses. Many of the Company's competitors will have greater financial and other resources than the Company and, as a result, may be in a better position to compete for potential investment opportunities. This competition could have a material adverse effect on the Company's financial condition, results or operations as well as the Company's ability to attract and retain highly skilled individuals. There can be no assurance that the Company can, or will be able to, compete effectively.

RISK RELATING THE LEISURE AND ENTERTAINMENT INDUSTRY

General economic and other business conditions

Changing economic cycles may affect demand for leisure and entertainment products and activities. Such cycles may be influenced by global political events, such as terrorist acts, war and other hostilities, outbreaks, as well as by market specific events, such as shifts in consumer confidence and consumer spending, labour or social unrest and political uncertainty.

Spending on leisure and entertainment is discretionary and price sensitive. An increase in interest rates, direct or indirect taxes, or the costs of living could lead to lower disposable income. Customers may reduce or stop their spending on leisure and entertainment activities or opt for lower-cost offers, in particular during periods of economic slowdown.

Access to source markets and customer bases (on which leisure and entertainment bookings and utilisation rates may depend) can be influenced and affected by availability and pricing of transport to and from source markets. Air travel is highly sensitive to global fluctuations in energy prices, particularly fuel price escalations.

Economic downturns in any leisure and entertainment business's source markets could have a material adverse impact on investments by the Company in the leisure and entertainment sector and the Company's overall financial performance.

Political instability, accidents, terrorism or the threat of terrorism, natural disasters or outbreaks of diseases or epidemics

Visitor volumes and consumer demand in the leisure and entertainment market may be partly dependent on the tourism industry which may be affected by a range of factors outside of the Company's control.

Unexpected geo-political problems in destination countries for leisure and entertainment may have an adverse impact on the propensity of visitors to travel to certain destinations or impact the choice of destination and therefore may have an adverse impact on the results of investments by the Company in the leisure and entertainment sector and the Company's overall financial performance.

Following a travel accident or terrorist incident involving airlines and/or popular tourist destinations, demand for travel and for tourist related leisure and entertainment may decrease. Should such an event occur, it would have an adverse impact on the leisure and entertainment sector (or certain parts of the leisure and entertainment sector) until consumer confidence resumed.

Unforeseen climatic events, such as an ash cloud, natural disasters or an outbreak of a disease or epidemic would have an adverse temporary impact on tourism and may affect the Company's investments in the leisure and entertainment sector.

Consumer Preference

The success of leisure and entertainment business depend substantially on consumer tastes and preferences that can change in often unpredictable ways and impact on the ability of the Company to ensure that its investments in the leisure and entertainment sector can meet the changing preferences of the broad consumer market. If the Company's investee business or assets in the sector do not achieve sufficient consumer acceptance, visitor volumes may not achieve targets or may decline, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Large business failure

Consumer protection is an important facet of the leisure and entertainment market. Large business failures in the sector may give rise to a general consumer move away from the leisure and entertainment market or from a particular aspect of the market, which would have an adverse impact on leisure and entertainment market and affect the Company's investments in the sector and the Company's overall financial performance.

RISK RELATING TO CURRENT REAL ESTATE INVESTMENTS

Property market conditions

Investments in property are relatively illiquid. Such illiquidity may affect the ability to dispose of or liquidate an asset in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. This could result in holding an asset for longer than anticipated and, should there be a need to sell, result in a reduction in the sale price achieved.

Any future property market recession could materially adversely affect the value of properties held from time to time. Returns from an investment in property may depend upon the amount of rental income generated from the property and the costs and expenses incurred in the maintenance and management of the property, as well as upon changes in its market value. Rental income and the market value for properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates.

Valuation risk

Property and property-related assets are inherently subjective as regards value due to the individual nature of each property. As a result, valuations are subject to uncertainty. Valuations are made on the basis of certain assumptions which may not prove to reflect the true position. There is no assurance that the valuations of a property will reflect actual sale prices even where any such sales occur shortly after the relevant valuation date. Therefore the investment could be overvalued and worth less than expected when it matures or is sold.

Regulatory and Legal Challenges

There may be changes to the legal environment, planning law or local planning policy which could have an adverse impact on the Company's property portfolio, loss of development opportunities and a reduction in the realisation value of assets. The Company may fail to comply with regulatory requirements in connection with its property portfolio including health and safety and environmental law which could lead to tenant and third party claims and reputational damage. This may lead to the return from disposal of property assets to be less than expected.

COVID-19

In view of the market uncertainty and the operational restrictions arising from the COVID-19 outbreak, the Directors have not considered it appropriate to carry out a fresh valuation of the property portfolio at the half-year; however the Directors are aware that the pandemic will be likely to have had a negative effect on the value of the Company's property portfolio as at 31 March 2020 and may give rise to increased valuation uncertainty.

The COVID-19 outbreak has placed significant pressure on the Company's small business tenants and the closure of tenants' premises under the UK government's lockdown has inevitably impacted on their ability to make rent payments. Whilst the Company has taken steps to mitigate the risk of non-payment of rents, any prolonged or subsequent lockdown events leading to closure of tenants' premises or permanent closure of tenants' businesses is likely to impact the Company's ability to collect rents and therefore negatively affect the Company's returns on its property investments.

RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS

The Company is dependent upon the Directors, and in particular Mr Duncan Soukup, who serves as Executive Chairman, to identify potential acquisition and investment opportunities. The unexpected loss of the services of any of the Directors could have a material adverse effect on the Company's ability to execute its strategy.

RISKS RELATING TO THE COMPANY'S ORDINARY SHARES

The proposed Standard Listing of the LSR Shares will afford Investors a lower level of regulatory protection than a Premium Listing

As set out in detail in Part III of this document, a Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules.

On completion of a reverse takeover, the listing of the LSR Shares may be cancelled and they may not be readmitted to trading thereafter

Chapter 5 of the Listing Rules provide that the FCA will generally seek to cancel the listing of a listed company's securities when it completes a reverse takeover. In such circumstances, the Company may seek the re-admission to listing either simultaneously with completion of an acquisition or as soon thereafter as is possible but there is no guarantee that such re-admission would be granted by the FCA. Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company. In certain circumstances, it may be the Company's decision to cancel its listing as a result of the reverse takeover. A cancellation of the listing of the LSR Shares would materially reduce liquidity in such shares which may affect an investor's ability to realise some or all of its investment and/or the price at which such Investor can effect such realisation. There is unlikely to be a market for shares where their listing has been cancelled and if a reverse takeover were to occur but the LSR Shares were not readmitted, the Company would not be able raise any equity or debt financing on the public market, or carry out a further acquisition using listed share consideration, which would restrict its business activities and particularly result in incurring unnecessary costs.

Investors may not be able to realise returns on their investment in LSR Shares within a period that they would consider to be reasonable

Investments in LSR Shares may be relatively illiquid. There may be a limited number of LSR Shareholders and this factor may contribute both to infrequent trading in the LSR Shares on the London Stock Exchange and to volatile LSR Share price movements. Investors should not expect that they will necessarily be able to realise their investment in LSR Shares within a period that they would regard as reasonable. Accordingly, the LSR Shares may not be suitable for short-term investment.

The Proposed Transfer and the lifting of the suspension on trading should not be taken as implying that there will be an active trading market for the LSR Shares.

The market price of the LSR Shares may go down as well as up

LSR Shareholders should be aware that, subject to the restoration of the Company's listing, the value of an investment in the Group may go down as well as up and can be highly volatile. The price at which the LSR Shares may be quoted and the price which investors may realise for their LSR Shares will be influenced by a large number of factors, some specific to the Company and its operations, and some which may affect the industry as a whole, other comparable companies or publicly traded companies as a whole. The sentiments of the stock market regarding the Proposals will be one such factor and this, together with other factors, including the actual or anticipated fluctuations in the financial performance of the Company, market fluctuations, and legislative or regulatory changes, could lead to the market price of the LSR Shares going up or down.

Dividend payments on the LSR Shares are not guaranteed

To the extent the Company intends to pay dividends on the LSR Shares, it will pay such dividends, at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law, but expects to be principally reliant upon dividends received on shares held by it in any operating subsidiaries in order to do so. Payments of such dividends will be dependent on the availability of any dividends or other distributions from such subsidiaries. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.

RISKS RELATING TO TAXATION

Changes in tax law and practice may reduce any net returns for investors

The tax treatment of shareholders of the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in England and Wales or any other relevant jurisdiction. Any change may reduce any net return derived by investors from a shareholding in the Company.

There can be no assurance that the Company will be able to make returns for its shareholders in a tax-efficient manner

It is intended that the Company will structure the Company, including any company or business or assets acquired or invested in, to maximise returns for LSR Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation and may make further assumptions when deploying capital. However, if these assumptions are not correct, taxes may be imposed with respect to the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions (either on a liquidation and dissolution or otherwise) in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for LSR Shareholders (or LSR Shareholders in certain jurisdictions). The level of return for LSR Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to LSR Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for LSR Shareholders.

COVID-19 PANDEMIC AND POSSIBLE SIMILAR FUTURE OUTBREAKS

Different regions in the world have from time to time experienced outbreaks of various viruses. At this time, a wide-spread global pandemic of severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and the infectious disease COVID-19, caused by the virus, is taking place. As the virus and diseases it causes are relatively new, effective cure and vaccines are yet to be developed. While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, it is clear that it will affect the lives of a large portion of the global population and cause significant effects. At this time, the pandemic has caused state of emergencies being declared in various countries, travel restrictions being imposed, quarantines been established and various institutions and companies being closed. The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Company as it may be adversely affected by the wider macroeconomic effect of the ongoing COVID-19 pandemic and any possible future outbreaks. While the final effects of the COVID-19 pandemic are at this stage difficult to assess, it is possible that it will have substantial negative effect on the economies where the Group operates in or intends to operate. These affects may also take place in case of any possible future outbreaks. Lastly, in case of an economic downturn, the price of the LSR Shares and the possibility of the Company to acquire further financing may be adversely affected. Any of the factors above could have an adverse effect on the Company's profits and financial position, as well as its ability to pursue the New Strategy.

THE LOCAL SHOPPING REIT PLC

(Registered in England and Wales with registered number 05304743)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of The Local Shopping REIT Plc (the “**Company**”) will be held at 10.00 a.m. on 21 October 2020 at the offices of Locke Lord (UK) LLP, 201 Bishopsgate, London, EC2M 3AB for the purposes of considering and, if thought fit, passing the following resolutions (each a “**Resolution**”). Resolution 2 will be proposed as an ordinary resolution and Resolutions 1 and 3 will be proposed as special resolutions. Save where otherwise defined herein, capitalised terms and expressions used herein shall have the meanings ascribed to them in the circular to the Company’s shareholders dated 28 September 2020 (the “**Circular**”) (a copy of which is produced to the meeting and signed for identification purposes by the chairman of the meeting).

Special Resolution

1. **THAT** the proposed transfer of the Company’s category of equity share listing on the Official List of the United Kingdom Listing Authority and on the Main Market of the London Stock Exchange plc from a Premium Listing (investment company) to a Standard Listing (shares) (“**Transfer of Listing**”) be and is hereby approved and the directors of the Company be and are hereby authorised to cause such Transfer of Listing to be effected and to do and/or procure to be done all such acts or things as they may consider necessary or desirable in connection therewith.

Ordinary Resolution

2. **THAT**, subject to and conditional on Proposed Transfer (as such term is defined in the Circular) becoming effective, the Directors be generally and unconditionally authorised in accordance with Section 551 of Act to allot shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company (“**Relevant Securities**”) up to a maximum aggregate nominal amount of £95,584, provided that this authority shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, fifteen (15) months from the date of passing this Resolution save that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such an offer or agreement as if the authority conferred had not expired.

Special Resolution

3. **THAT**, subject to and conditional on, the passing of Resolution 2, the Directors be empowered, pursuant to Section 570 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority given by Resolution 2 as if Section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with a rights issue or any other offer to holders of ordinary shares in proportion (as nearly as practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £31,861;

and this authority shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, 15 months from the date of passing this Resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby has not expired.

Dated: 28 September 2020

By order of the Board

William Heaney
Company Secretary

Registered office

The Local Shopping REIT Plc
Eastleigh Court
Bishopstrow
Warminster
BA12 9HW

Notes:

The below notes include the normal proxy guidance for a General Meeting and rights to attend which are required to be included to comply with company law requirements. However, in light of the COVID-19 virus situation, LSR Shareholders and their proxies or corporate representatives will not be allowed to attend the meeting. We strongly recommend that you appoint the chairman of the General Meeting as your proxy.

1. LSR Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A LSR Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different LSR Share or LSR Shares held by that LSR Shareholder. A proxy need not be a shareholder of the Company. A Proxy Form, which may be used to make such appointment and give proxy instructions, accompanies the Circular.
2. The return of a completed Proxy Form, or any CREST Proxy Instruction (as described in paragraph 4 below), will not prevent a LSR Shareholder attending the General Meeting and voting in person if he wishes to do so and is so entitled.
3. To be effective, the instrument appointing a proxy, together with any power of attorney or other authority under which it is signed, or a duly certified copy thereof, must be received by the Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not later than 10.00 a.m. on 19 October 2020 (or, in the case of an adjournment, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting).
4. If you are a user of the CREST system (including a CREST personal member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint a proxy or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, the CREST message must be received by the Registrar (CREST Participant ID RA19) not later than 10.00 a.m. on 19 October 2020 (or, in the case of an adjournment, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the Registrar is able to retrieve the message.
 - CREST personal members or other CREST Sponsored Members should contact their CREST Sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings, please refer to the CREST Manual (available via www.euroclear.com). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
5. Entitlement to attend and vote at the General Meeting and the number of votes which may be cast at the General Meeting will be determined by reference to the register of members of the Company as at close of business on 19 October 2020.

If the General Meeting is adjourned, entitlement to attend and vote will be determined by reference to the register of members of the Company as at close of business two days prior to the adjourned meeting (excluding non-working days). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
6. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
7. The right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the CA 2006. Persons nominated to receive information rights under section 146 of the CA 2006 who have been sent a copy of this Notice of General Meeting are hereby informed that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting.

If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
8. In the case of joint holders, where more than one of the joint holders purports to vote (including voting by proxy), the only vote which will count is the vote of the person whose name is listed before the other joint holder(s) on the register of members of the Company for the LSR Share.
9. Any LSR Shareholder attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting, but no such answer need be given if:
 - (i) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information;
 - (ii) the answer has already been given on a website in the form of an answer to a question; or
 - (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.If you attend the General Meeting in person, you may be included in the recording of the General Meeting. Please note that this recording is solely for the purpose of creating a transcript of the General Meeting and will not be made publicly available.

10. A copy of this Notice of General Meeting, and other information required by section 311A of CA 2006, can be found at www.localshoppingreit.co.uk. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, these notes.
11. LSR Shareholders should only use any electronic address provided in either this Notice of General Meeting or any related documents (including the Chairman's letter and the Proxy Form) to communicate with the Company for the purposes expressly stated.
12. At the close of business on 25 September 2020 (being the latest practicable date prior to the publication of this Notice of General Meeting), the Company had 22,697,397 LSR Shares in issue (excluding LSR Shares held in treasury) and 9,164,017 LSR Shares held in treasury. Therefore, the total number of voting rights in the Company was 22,697,397. The LSR Shares have a nominal value of 1 penny each. On a poll, each holder of LSR Shares has one vote per share.

CORPORATE INFORMATION

Directors

Charles Duncan Soukup
Gareth Edwards

Company Secretary

William Heaney

Registered Office

Eastleigh Court
Bishopstrow
Warminster
BA12 9HW

Company Registration Number

05304743

Solicitors to the Company

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Registrars

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