

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action to take, you are recommended to seek your own independent professional advice immediately 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 in the relevant jurisdiction.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, please immediately contact the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not constitute an offer of transferable securities to the public within the meaning of section 102B of FSMA. The issue of the Placing Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA. This document does not constitute a prospectus for the purpose of the Prospectus Rules or an admission document for the purpose of the AIM Rules for Companies. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA pursuant to sections 85 and 87 of FSMA or by the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA.

Application will be made for the Placing Shares to be admitted to trading on AIM. Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is anticipated that Admission of the Placing Shares will become effective, and that dealings in the Placing Shares will commence on AIM, at 8.00 a.m. on 29 March 2018.

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of the Company which contains the unanimous recommendation of the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting.

---

## **Secure Income REIT Plc**

*(Incorporated and registered in England and Wales with registered number 06064259)*

### **Recommended proposals in relation to the issue of up to 86,438,000 new Ordinary Shares by way of a Placing**

**and**

### **Notice of General Meeting**

### **Stifel Nicolaus Europe Limited *Nominated Adviser and Sole Bookrunner***

---

Stifel, which is authorised and regulated in the United Kingdom by the FCA, is acting as Nominated Adviser and Sole Bookrunner to the Company in connection with the Placing. Its responsibilities as nominated adviser under the AIM Rules are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director or to any other person. Stifel will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing, the contents of this document or any transaction or arrangement referred to herein.

A General Meeting to consider the proposals described in this document will be held at 2.30 p.m. on 27 March 2018 at Cavendish House, 18 Cavendish Square, London W1G 0PJ. The notice convening the General Meeting is set out at the end of this document and a Form of Proxy for use at the General Meeting is enclosed. The action to be taken in respect of the General Meeting is set out in the letter from the Chairman of the Company contained in this document.

**Shareholders are requested to complete, sign and return the Form of Proxy whether or not they intend to be present at the General Meeting. To be valid, Forms of Proxy should be completed, signed and returned as soon as possible but, in any event, so as to be received by the**

**Company's registrars, Link Asset Services at FREEPOST PXS, 34 Beckenham Road, Beckenham, Kent BR3 9ZA or, alternatively, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in each case by not later than 2.30 p.m. on 23 March 2018.** Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting should they so wish.

The Placing Shares will rank *pari passu* in all respects with the existing Ordinary Shares when issued and fully paid.

### **Important information**

None of the Placing Shares, the Form of Proxy or this document nor any other document connected with the Placing have been or will be approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares or the accuracy or adequacy of this document, the Form of Proxy or any other document connected with the Placing. Any representation to the contrary is a criminal offence in the United States.

The Placing Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Any offering of the Placing Shares to be made in the United States will be made only to a limited number of "qualified institutional buyers" as defined in Rule 144A under the Securities Act pursuant to an exemption from the registration requirements of the Securities Act in a transaction not involving any public offering and outside the United States in offshore transactions in accordance with Regulation S under the Securities Act. There will be no public offer of the Placing Shares in any jurisdiction, including in the United States, Australia, Canada, Japan or South Africa.

The Placing Shares have not been registered under the applicable securities laws of Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or South Africa or to any national, resident or citizen of Australia, Canada, Japan or South Africa.

The distribution of this document and the Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document and/or accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. Members of the general public are not eligible to take part in the Placing.

This document contains forward-looking statements. These statements relate to the future prospects, developments and business strategies of the Company. Forward-looking statements are identified by the use of such terms as "believe", "could", "envisage", "estimate", "potential", "intend", "may", "plan", "will" or variations or similar expressions, or the negative thereof. The forward-looking statements contained in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialise, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, certain of which are beyond the Company's control, potential investors should not place any reliance on forward-looking statements. These forward-looking statements speak only as at the date of this document. Except as required by law, the Company undertakes no obligation to publicly release any update or revisions to the forward-looking statements contained in this document to reflect any change in events, conditions or circumstances on which any such statements are based after the time they are made.

Certain figures and percentages contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given.

In accordance with the AIM Rules for Companies, this document will be made available on the Company's website: [www.SecureIncomeREIT.co.uk](http://www.SecureIncomeREIT.co.uk).

This document is dated 9 March 2018.

## **TABLE OF CONTENTS**

EXPECTED TIMETABLE OF PRINCIPAL EVENTS	4
LETTER FROM THE CHAIRMAN OF SECURE INCOME REIT PLC	5
DEFINITIONS	9
APPENDIX	12
NOTICE OF GENERAL MEETING	13

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing and the Acquisitions	9 March 2018
Posting of the Circular and the Form of Proxy to Shareholders	9 March 2018
Latest time and date for receipt of completed Forms of Proxy	2.30 p.m. on 23 March 2018
General Meeting	2.30 p.m. on 27 March 2018
Results of the General Meeting and Placing announced	27 March 2018
Admission and commencement of dealings in the Placing Shares	8.00 a.m. on 29 March 2018
Placing Shares issued in uncertificated form expected to be credited to accounts in CREST	29 March 2018
Despatch of definitive share certificates for the Placing Shares issued in certificated form (if applicable)	As soon as possible after 29 March 2018
Latest date of completion of the Hotels Portfolio acquisition	30 May 2018
Latest date of completion of the Leisure Portfolio acquisition	2 July 2018

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service. References to time in this document are to London time. The timetable above assumes that the Resolutions are passed at the General Meeting without adjournment.

# LETTER FROM THE CHAIRMAN OF SECURE INCOME REIT PLC



*Directors:*

Martin Moore  
Mike Brown  
Leslie Ferrar  
Sandy Gumm  
Jonathan Lane  
Nick Leslau  
Ian Marcus

*Registered Office*  
Cavendish House  
18 Cavendish Square  
London W1G 0PJ

9 March 2018

Dear Shareholder,

## **Recommended proposals in relation to the issue of up to 86,438,000 new Ordinary Shares by way of a Placing**

**and**

## **Notice of General Meeting**

### **1 Introduction**

The Company announced today that contracts have been exchanged to acquire two substantial off-market portfolios at a total cost of £436 million.

The purpose of this document is to convene a general meeting to seek authority from Shareholders to allot up to 86,438,000 new Ordinary Shares on a non pre-emptive basis. This document explains why the Board considers the Acquisitions and the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that Shareholders who are entitled to vote do so in favour of the Resolutions.

The Acquisitions meet the Company's strict investment criteria established at its IPO in June 2014 and will be significantly dividend accretive, will materially deleverage the Group's balance sheet and will reduce the Group's weighted average cost of debt, while also maintaining the Group's very long weighted average unexpired lease term. The Acquisitions have the secure long-term inflation protected income that is at the core of the Company's business, and they also present a number of value enhancing opportunities through asset management.

The Board believes that the principal benefits of the proposed Acquisitions, Placing and associated new debt financing are expected to be:

- Increase in dividends per Ordinary Share with the post-acquisition dividend expected to yield 4.3% on the Placing Price
- Net LTV to reduce to 45.8%, from 49.6% at 31 December 2017
- Weighted average unexpired lease term remains very long at 21.7 years with no breaks
- Leases provide long term inflation protection:
  - the proportion of the Group's rents subject to upwards only RPI reviews increased to 51% from 42%
  - 48% of rents subject to fixed uplifts with the remaining 1% subject to upwards only open market reviews
  - 70% of the Group's rents will be subject to annual rent reviews (as opposed to five yearly)

- Further diversification by income and asset base across defensive sectors: number of properties will increase to 177 from 81
- The Acquisitions offer a number of value enhancing asset management opportunities
- EPRA NAV to increase to £1.2 billion on a pro forma basis
- On the basis of the Company's Base Case Assumptions, the illustrative five year compounded dividend growth rate of the Enlarged Group is expected to be 5.6% per annum

To part finance the Acquisitions, the Company is proposing a Placing to institutional investors of up to 86.4 million new Ordinary Shares in the Company targeting gross proceeds of up to £315.5 million.

The Placing Price will be 365.0 pence per Placing Share, equal to the 31 December 2017 EPRA NAV per share adjusted for the completion of the Transaction. The balance of the consideration for the Acquisitions will be funded by two new non-recourse debt facilities expected to total £128.7 million (approximately 30% Loan to Cost) for which the Group has obtained credit approved terms.

The Board and Prestbury Management Team will be investing £5.25 million at the Placing Price. Following completion of the Transaction, the Prestbury Management Team will hold a total post Transaction shareholding in the Company of approximately £158 million at the Placing Price, one of the largest management shareholdings in the quoted UK real estate sector and maintaining their strong alignment with Shareholders.

Stifel has been appointed as sole bookrunner to the Company in connection with the Placing.

The Company has separately announced today its annual results for the year ended 31 December 2017, which exclude any adjustments for the Transaction, in which the Company's:

- EPRA NAV per Ordinary Share at 31 December 2017 is 370.4 pence per Ordinary Share, up 14.5% since 31 December 2016; and
- Adjusted EPRA EPS is 13.6 pence, up 20.4% year on year.

Full details of the 2017 annual results are available in the Company's preliminary results announcement which is available in the Investor Centre at [www.SecureIncomeREIT.co.uk](http://www.SecureIncomeREIT.co.uk).

## 2 The Acquisitions

The two portfolios have a gross purchase cost of £436 million and comprise:

- a portfolio of leisure assets across the UK with a gross cost of £224 million representing a net initial yield of 5.9% and with a weighted average unexpired lease term of 18.0 years, comprising:
  - Manchester Arena: A strategic 8 acre site on top of Manchester Victoria station, close to prime retail, restaurants, other leisure venues and the NOMA regeneration scheme. The site includes the UK's largest indoor arena by capacity at 21,000 seats, which is let for 27 years to SMG (the world's largest venue management company) as well as 160,000 sq.ft. of office and additional leisure space, a 1,000 space multi-storey car park and advertising hoardings;
  - The Brewery at Chiswell Street, London EC1: the largest catered events space in the City of London;
  - a portfolio of 17 hotels let to Travelodge Hotels Limited, the UK's largest independent value branded hotels group; and
  - a portfolio of 18 freehold high street pubs let to or guaranteed by Stonegate Pub Company Limited. Stonegate is one of the UK's largest privately managed pub operators.
- a portfolio of 59 hotels across the UK let to Travelodge at a gross cost of £212 million representing a net initial yield of 6.1% and with a weighted average unexpired lease term of 23.5 years.

Further details of the Acquisitions are included in the Transaction Announcement, which is available in the Investor Centre of the Company's website at [www.SecureIncomeREIT.co.uk](http://www.SecureIncomeREIT.co.uk).

### 3 Financial impact of the Transaction

The incremental net income from the Acquisitions will enhance both the Company's dividend yield and potential for capital growth, and therefore Total Shareholder Returns. The Company's dividend policy is to make quarterly cash distributions to Shareholders equal to the higher of the minimum REIT distribution or one times Adjusted EPRA EPS. Consistent with this policy, following completion of the Transaction and the next scheduled rental uplifts on the Existing Portfolio, the Board expects to increase distributions to an annualised 15.7 pence per Ordinary Share from a current annualised 14.0 pence per Ordinary Share, with the record date for the first increased dividend expected to be in the third quarter of 2018. This equates to a dividend yield of 4.3% on the Placing Price.

On the basis of the Base Case Assumptions the illustrative five year compounded dividend growth rate is expected to be 5.6% per annum.

The expected rate of growth in the Company's dividend can be sensitised across a range of RPI scenarios. On the basis of the Base Case Assumptions in the Appendix, the Company would deliver a minimum compound annual dividend growth rate of 3.3% if there is zero or negative RPI throughout the period, and this would increase to 6.3% if the RPI outcome is 100 basis points higher than suggested by the base case RPI swap curve.

In addition to offering a fully covered, quarterly cash dividend, the Company also offers Shareholders capital growth. On the Base Case Assumptions, the illustrative Total Accounting Return over five years following completion of the Transaction is approximately 10% per annum. By the end of that period, also on the Base Case Assumptions, the Group's Net LTV is expected to be approximately 38%.

Further details of the expected financial impact of the Transaction on the Group are included in the Transaction Announcement, which is available in the Investor Centre of the Company's website at [www.SecureIncomeREIT.co.uk](http://www.SecureIncomeREIT.co.uk).

### 4 Details of the Placing

The Company is proposing to raise gross proceeds of up to £315.5 million through the issue of the Placing Shares at the Placing Price to the Placees. The Placing Shares will (assuming that all available Placing Shares are issued) represent approximately 27% of the Enlarged Share Capital on Admission.

The Placing Shares will be allotted and issued fully paid and will, on issue, rank *pari passu* with the existing Ordinary Shares including the right to receive, in full, all dividends and other distributions declared, paid or made thereafter in respect of the Ordinary Shares together with all rights attaching to them and free from all liens, charges and encumbrances of any kind. Application will be made for the Placing Shares to be admitted to trading on AIM.

### 5 General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held at 2.30 p.m. on 27 March 2018, at Cavendish House, 18 Cavendish Square, London W1G 0PJ, at which the following Resolutions will be proposed for the purposes of implementing the Acquisitions and the Placing:

- **Resolution 1** – an ordinary resolution to grant the Directors authority to allot the Placing Shares; and
- **Resolution 2** – a special resolution to disapply statutory pre-emption rights in respect of the allotment of the Placing Shares.

The authorities set out in Resolutions 1 and 2, if passed, will expire on 27 June 2018 and are in addition to the existing authorities conferred on the Directors by Shareholders in May 2014 and at the Company's annual general meeting in June 2017 (the "2017 AGM"). The Board intends to propose a new pre-emption disapplication authority at the Company's 2018 annual general meeting to replace the authority granted at the 2017 AGM. It is expected that such new authority will be in respect of 58,757,800 Ordinary Shares representing 24.99% of the Existing Ordinary Share Capital.

Resolution 1 is being proposed as an ordinary resolution and requires 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. Resolution 2 is being proposed as a special resolution and requires 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.

## **6 Action to be taken**

A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy and to return it to the Company's registrars, Link Asset Services at FREEPOST PXS, 34 Beckenham Road, Beckenham, Kent BR3 9ZA so as to be received as soon as possible, but in any event no later than 2.30 p.m. on 23 March 2018. A postage stamp will not be required when mailing from the UK. Please note that the Freepost address must be completed in block capitals and that delivery using this service can take up to five Business Days. Alternatively, the Form of Proxy can be posted to the following address but a stamp will be required: Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

## **7 Recommendation**

The Board unanimously considers that the Placing and the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions, as the Directors intend to do in relation to their own and associated holdings of 42,285,326 Ordinary Shares in total, representing approximately 18% of the Existing Ordinary Share Capital.

Yours faithfully

**Martin Moore**  
Chairman



## DEFINITIONS

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

<b>Acquisitions</b>	the proposed acquisition by the Group of the Hotels Portfolio and the Leisure Portfolio
<b>Adjusted EPRA EPS</b>	EPRA EPS adjusted to exclude the distorting effect of the smoothing of fixed rental uplifts over the entire term of the relevant leases, and excluding material non-recurring items
<b>Admission</b>	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
<b>AIM</b>	AIM, a market operated by the London Stock Exchange
<b>AIM Rules</b>	the AIM Rules for Companies and the AIM Rules for Nominated Advisers
<b>AIM Rules for Companies</b>	the rules for companies whose securities are admitted to trading on AIM published by the London Stock Exchange as amended from time to time
<b>AIM Rules for Nominated Advisers</b>	the rules for nominated advisers to companies whose securities are admitted to trading on AIM published by the London Stock Exchange as amended from time to time
<b>Base Case Assumptions</b>	the base case assumptions set out in the Appendix
<b>Board</b>	the board of directors of the Company
<b>Business Day</b>	a day (other than a Saturday or Sunday) on which AIM is open for trading
<b>Circular</b>	this document which comprises a circular to Shareholders and which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules) and does not constitute an offer or invitation to the public within the meaning of any relevant legislation or regulation
<b>Company</b>	Secure Income REIT Plc, a company incorporated and registered in England and Wales with registered number 06064259 and authorised by the FCA under firm reference number 624782
<b>Directors</b>	the directors of the Company
<b>Enlarged Share Capital</b>	the Existing Ordinary Share Capital, as enlarged by the issue of the Placing Shares
<b>EPRA</b>	the European Public Real Estate Association
<b>EPRA NAV</b>	a measure of NAV designed by EPRA to present the fair value of a company on a long term basis, by excluding items such as interest rate derivatives that are held for long term benefit, net of deferred tax
<b>Existing Ordinary Share Capital</b>	means 235,125,353 Ordinary Shares, comprising 230,536,874 Ordinary Shares currently in issue and 4,588,479 Ordinary Shares which will be issued to the Investment Adviser in March 2018 in respect of the incentive fee payable for performance over the Company's 2017 financial year

<b>Existing Portfolio</b>	the current portfolio of the Group as at the date of this document and as detailed in the Company's preliminary results announcement for the year ended 31 December 2017 issued on 9 March 2018
<b>FCA</b>	the UK Financial Conduct Authority
<b>Form of Proxy</b>	the form of proxy for use by Shareholders at the General Meeting enclosed with this document and " <b>Forms of Proxy</b> " shall be construed accordingly
<b>FSMA</b>	the UK Financial Services and Markets Act 2000, as amended
<b>General Meeting</b>	the general meeting of the Company to be held at Cavendish House, 18 Cavendish Square, London W1G 0PJ at 2.30 p.m. on 27 March 2018 (or any adjournment thereof), notice of which is set out at the end of this document
<b>Group</b>	the Company and its subsidiaries from time to time
<b>Hotels Portfolio</b>	59 hotels let to Travelodge Hotels Limited
<b>Investment Adviser</b>	Prestbury Investments LLP, a limited liability partnership registered in England with registered number OC321632
<b>Investment Advisory Agreement</b>	the agreement dated 30 May 2014 between, amongst others, the Company and the Investment Adviser (as amended and restated on 3 June 2015 and 2 March 2016)
<b>Leisure and Hotels Portfolios</b>	the Leisure Portfolio and the Hotels Portfolio
<b>Leisure Portfolio</b>	Manchester Arena, 17 hotels let to Travelodge Hotels Limited, The Brewery at Chiswell Street, London and the 18 pubs let to or guaranteed by Stonegate Pub Company Limited
<b>Loan to Cost</b>	loan to cost ratio, which is the outstanding amount of a loan as a percentage of the cost of the assets on which it is secured
<b>LTV</b>	loan to value ratio, which is the outstanding amount of a loan as a percentage of the property value
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Net LTV</b>	LTV calculated on the gross loan amount and any other secured liabilities, less cash balances
<b>Notice of General Meeting</b>	the notice convening the General Meeting set out at the end of this document
<b>Ordinary Shares</b>	ordinary shares of 10 pence each in the capital of the Company
<b>Placees</b>	subscribers for Placing Shares
<b>Placing</b>	the proposed placing to institutional investors of up to 86,438,000 new Ordinary Shares by Stifel on behalf of the Company pursuant to the Placing Agreement
<b>Placing Agreement</b>	the agreement dated 9 March 2018 between the Company, the Investment Adviser and Stifel relating to the Placing
<b>Placing Price</b>	the price at which the Placing Shares are to be allotted and issued pursuant to the Placing, being 365.0 pence per Placing Share

<b>Placing Shares</b>	up to 86,438,000 new Ordinary Shares to be issued by the Company at the Placing Price pursuant to the Placing
<b>Prestbury Management Team</b>	Prestbury Investments LLP together with its associates
<b>Prospectus Directive</b>	EU Prospectus Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) and includes any relevant implementing directive measure in any member state
<b>Prospectus Rules</b>	the Prospectus Rules made in accordance with the Prospectus Directive
<b>Regulatory Information Service</b>	has the same meaning as in the AIM Rules
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
<b>RPI</b>	the retail price index as published monthly by the Office for National Statistics
<b>Shareholders</b>	holders of existing Ordinary Shares in the Company
<b>Stifel</b>	Stifel Nicolaus Europe Limited of 150 Cheapside, London EC2V 6ET
<b>Total Accounting Return</b>	the movement in EPRA NAV over a period plus dividends paid in the period, expressed as a percentage of the EPRA NAV at the start of the period
<b>Total Shareholder Return</b>	the movement in share price over a period plus dividends paid in the period, expressed as a percentage of the share price at the start of the period
<b>Transaction</b>	the proposed Acquisitions, the Placing and the new debt financing
<b>Transaction Announcement</b>	the announcement of the Company dated 9 March 2018 regarding the Transaction
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>£</b>	pounds sterling, the lawful currency of the United Kingdom

## APPENDIX

### Base Case Assumptions

The illustrative returns in this document are based on the following assumptions:

- The illustrative returns employ the RPI swap curve at 27 February 2018 averaging increases of 3.3% per annum over the period
- Constant property valuation yield at 31 December 2017 external valuation yields for the Existing Portfolio and 6.0% yield on costs for the Acquisitions
- Only fixed uplifts on Ramsay leases, ignoring potential uplifts from further open market reviews
- Other than the Leisure and Hotels Portfolios, no purchases or sales of properties or lease variations. Acquisitions and Placing assumed to close on 1 April 2018
- Constant Euro exchange rate of €1:£0.8873 based on December 2017 exchange rate used throughout illustrative periods. Euro denominated net assets amount to c. 5.1% of Group EPRA Net Asset Value at 31 December 2017 and an estimated c. 3.8% on a pro forma basis after the Transaction
- Valuation yield shifts in sensitised valuation scenarios occur on the last day of the calculation period
- Expected cost of funds (five year interest rate swap rate) on new debt facilities expected to be 1.38% per annum before lenders' margins. The actual rate will be fixed at drawdown
- The Investment Advisory Agreement between the Company and Prestbury expires in June 2022 with no renewal rights on either side. The illustrative returns assume that the existing arrangements continue beyond that date
- In October 2022 the Group's existing leisure portfolio loan facility matures. At that time the loan principal will be £372.5 million at the 31 December 2017 Euro exchange rate and the base case property valuation at 31 December 2017 valuation yield and Euro exchange rate is estimated at £702.3 million. The illustrative returns assume that the existing loan continues on the same terms
- Pro forma EPRA NAV per Ordinary Share is calculated on the basis of 230.54 million Ordinary Shares currently in issue, plus 4.6 million Ordinary Shares to be issued in March 2018 for the incentive fee earned in respect of the above benchmark performance in the 2017 financial year plus the maximum 86.4 million Ordinary Shares available in the Placing
- The Company raises gross proceeds of £315.5 million from the Placing.

In the event that the gross proceeds of the Placing total less than £315.5 million, then the Company may still consider completing either both or one of the Acquisitions using the proceeds of the Placing, additional debt finance and/or existing cash reserves. In these circumstances the illustrative returns in this document would change.

## NOTICE OF GENERAL MEETING

### SECURE INCOME REIT PLC (the “Company”)

*Incorporated and registered in England and Wales with registered number 06064259*

**NOTICE IS HEREBY GIVEN** that a General Meeting of the shareholders of the Company will be held at Cavendish House, 18 Cavendish Square, London W1G 0PJ on 27 March 2018 at 2.30 p.m. to consider and, if thought fit, pass the resolutions set out below. Resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution.

In this notice words and defined terms shall have the same meanings as words and defined terms in the circular to the holders of Ordinary Shares dated 9 March 2018 to which this notice is attached.

#### ORDINARY RESOLUTION

- 1 THAT, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Act”) to allot Ordinary Shares up to an aggregate nominal amount of £8,643,800, provided that such authority shall, unless previously revoked, varied or renewed, expire on 27 June 2018, save that the Company may before such expiry make offers and enter into agreements which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot Ordinary Shares pursuant to any such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority shall be in addition to, and not in substitution for, the authority granted to the Directors pursuant to section 551 of the Act on 27 May 2014.

#### SPECIAL RESOLUTION

- 2 THAT, subject to and conditional only on the passing of resolution 2 above, the Directors be and are hereby 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 conferred by resolution 1, and/or to sell Ordinary Shares held as treasury shares for cash, in each case as if section 561 of the Act (existing shareholders’ rights of pre-emption) did not apply, such power to be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal amount of £8,643,800 and provided that the issue price in respect of any Ordinary Shares issued pursuant to this authority shall not be less than the consolidated EPRA Net Asset Value per Ordinary Share. Such authority shall, unless previously revoked, varied or renewed, expire on 27 June 2018, save that the Company may before such expiry make offers and enter into agreements which would or might require Ordinary Shares to be allotted (or Ordinary Shares held in treasury to be sold) after such expiry and the Directors may allot Ordinary Shares (and sell Ordinary Shares held in treasury) pursuant to any such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority shall be in addition to, and not in substitution for, the authorities granted to the Directors pursuant to section 570 of the Act on 27 May 2014 and 7 June 2017.

By order of the Board

**Sandy Gumm**  
Company Secretary

9 March 2018

**Notes:**

1. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided on the proxy form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if the proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
2. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. In the case of a corporation, the proxy must be given under its common seal or signed by a duly authorised officer, attorney or other person authorised to sign it. A proxy need not be a member.
4. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all its powers as a shareholder provided that they do not do so in relation to the same shares.
5. The completion and return of the proxy form will not prevent you from attending in person and voting at the General Meeting should you subsequently decide to do so. If you attend the meeting in person, your proxy appointment will be terminated automatically.
6. A vote withheld option is provided on the proxy form to enable you to instruct your proxy to abstain on any particular resolution. However, it should be noted that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.
7. Only those shareholders entered on the register of shareholders of the Company at close of business on 25 March 2018 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of shareholders after close of business on 25 March 2018 shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
8. To be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed (or a notarially certified copy of such power or authority) must be received by the Company's registrars, Link Asset Services at FREEPOST PXS, 34 Beckenham Road, Beckenham, Kent BR3 9ZA, not less than 48 hours (excluding non-working days) before the time for holding that meeting. A postage stamp will not be required when mailing from the UK. Please note that the Freepost address must be completed in block capitals and that delivery using this service can take up to five Business Days. Alternatively, the form of proxy can be posted to the following address but a stamp will be required: Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
9. Shares held in CREST may be voted through the CREST voting service. To appoint one or more proxies or to give an instruction to a proxy via the CREST system, CREST messages must be received by the issuer's agent (ID number RA10) not later than 48 hours (excluding non-working days) before the time appointed for holding the meeting.
10. During the meeting there will be an opportunity for shareholders, proxies or corporate representatives to ask questions relevant to the business of the meeting.



