

## PROSPECTUS



### SEGRO Capital S.à r.l.

*(a private limited liability company (société à responsabilité limitée), incorporated under the laws of the Grand Duchy of Luxembourg ("Luxembourg"), having its registered office at 35-37, avenue de la Liberté, L-1931 Luxembourg and registered with the Registre de Commerce et des Sociétés, Luxembourg (the "RCS Luxembourg") under the number B256102)*

**Legal entity identifier (LEI):** 549300HY425AKJLQVX75

EUR 500,000,000 0.500 per cent. Guaranteed Notes due 22 September 2031

unconditionally and irrevocably guaranteed by

### SEGRO plc

*(Incorporated as a public limited company in England and Wales with registered office at 1 New Burlington Place, London, England, W1S 2HR with registered number 00167591)*

**Legal entity identifier (LEI):** 213800XC35KGM9NFC641

The issue price of the EUR 500,000,000 0.500 per cent. Guaranteed Notes due 22 September 2031 (the "Notes") of SEGRO Capital S.à r.l. (the "Issuer") is 99.119 per cent. of their principal amount. The Notes will be issued by the Issuer on or about 22 September 2021 (the "Issue Date"). The Notes will be unconditionally and irrevocably guaranteed by SEGRO plc (the "Guarantor") (the "Guarantee").

The Notes will bear interest at their principal amount from (and including) the Issue Date at the rate of 0.500 per cent. per annum payable annually in arrear on 22 September in each year up to (and including) 22 September 2031 (the "Maturity Date"). Payments on the Notes will be made without deduction or withholding for taxes imposed by Luxembourg or the United Kingdom to the extent and subject as described in "Terms and Conditions of the Notes" herein (the "Conditions").

Unless previously redeemed or cancelled, the Notes will be redeemed at 100 per cent. of their principal amount together with accrued interest (if any) on the Maturity Date. The Notes are subject to redemption in whole at their principal amount together with accrued interest (if any) at the option of the Issuer at any time in the event of certain changes affecting taxation in Luxembourg or the United Kingdom. The Notes are also subject to redemption at the option of the Issuer at any time in whole or in part at a redemption price, and at the option of the Holders at any time in certain circumstances, in each case as described under "Terms and Conditions of the Notes—Redemption and Purchase" together with accrued interest (if any).

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such exceptions as may be provided by applicable laws that are mandatory and of general application. The obligations of the Guarantor under the Guarantee will be direct, unsecured and unsubordinated obligations of the Guarantor.

This Prospectus (the "Prospectus") has been approved by the Financial Conduct Authority (the "FCA"), as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") (the "UK Prospectus Regulation"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

**An investment in the Notes issued involves certain risks. For a discussion of these risks see "Risk Factors".**

Application has been made to the FCA for the Notes to be admitted to the Official List of the Financial Conduct Authority (the "FCA") (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for the Notes to be admitted to trading on the London Stock Exchange's main market (the "Market"). The London Stock Exchange's main market is not a regulated market for the purposes of the Markets in Financial

Instruments Directive 2014/65/EU (“**EU MiFID II**”) but is a regulated market for the purposes of Regulation (EU) No. 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA (“**UK MiFIR**”).

References in this Prospectus to Notes being listed (and all related references) shall (unless the context otherwise requires) mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities laws of any state or other jurisdiction of the United States of America (the “**United States**”). The Notes are being offered outside the United States by the Joint Lead Managers (as defined in “*Subscription and Sale*”) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered, sold, pledged, taken up, resold, transferred or delivered directly or indirectly into the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state or other jurisdiction of the United States and any other jurisdiction.

For a description of these and certain further restrictions on offers, sales and transfer of the Notes and the distribution of this Prospectus, see “*Subscription and Sale*”.

The Notes will initially be represented by a temporary global note in bearer form (the “**Temporary Global Note**”) which will be issued in new global note (“**NGN**”) form and which will be deposited with a common safekeeper for Euroclear Bank SA/NV, a *societe anonyme/naamloze vennootschap* having its registered office at 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium and registered with the RPM Brussels under company number 0429 875 591 (“**Euroclear**”), and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) a public limited liability company (*société anonyme*), having its registered office at 42, avenue J. F. Kennedy L-1855 Luxembourg and registered with the RCS Luxembourg under the number B9248, on or about the Issue Date. The Temporary Global Note will be exchangeable on or after 1 November 2021 for a permanent global note in bearer form, without interest coupons, (the “**Permanent Global Note**”) and, together with the Temporary Global Note, the “**Global Notes**”) upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. The Global Notes will be exchangeable for definitive Notes with Coupons attached only in the limited circumstances specified therein (the “**Definitive Notes**”). – see “*Overview of the Notes while in Global Form*”. The denomination of the Notes shall be EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000 each.

The Guarantor has a long term issuer default rating of A- from Fitch Ratings Ltd.

The Notes are expected to be rated A by Fitch Ratings Ltd.

As at the date of this Prospectus, Fitch Ratings Ltd is established in the United Kingdom and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the “**UK CRA Regulation**”). Fitch Ratings Ltd is not established in the European Economic Area (the “**EEA**”) nor has it applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). However, the ratings issued by Fitch Ratings Ltd have been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation. As at the date of this Prospectus, Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation. As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation). The ESMA website does not form part of this Prospectus.

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

This Prospectus will be valid until the admission of the Notes to trading on the Market of the London Stock Exchange. The Issuer shall, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of the Notes, prepare a supplement to this Prospectus. The obligation to prepare a supplement to this Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Notes have been admitted to trading on the Market of the London Stock Exchange.

*Joint Lead Managers*

**Bank of China**

**BNP PARIBAS**

**Lloyds Bank Corporate Markets Wertpapierhandelsbank**

**NatWest Markets**

The date of this Prospectus is 20 September 2021

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## IMPORTANT NOTICES

This Prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus and declare that, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import. The Issuer and Guarantor confirm that where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and that so far as the Issuer and the Guarantor are aware, and are able to ascertain from information published by such source, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where it is used.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). The Prospectus should be read and construed on the basis that such documents are incorporated in, and form part of, the Prospectus. Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

The Issuer and the Guarantor have confirmed to the Joint Lead Managers named under "*Subscription and Sale*" below that this Prospectus contains all information regarding the Issuer, the Guarantor and the Group (as defined below) and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer and the Guarantor are honestly and reasonably held or made and are not misleading in any material respect; this Prospectus does not contain any untrue statement of a material fact or omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

Neither the Issuer nor the Guarantor have authorised the making or provision of any representation or information regarding the Issuer, the Guarantor or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer or the Guarantor. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Guarantor or the Joint Lead Managers.

Neither the Joint Lead Managers nor The Law Debenture Trust Corporation p.l.c. (the "**Trustee**") nor any of their respective affiliates have authorised the whole or any part of this Prospectus or independently verified the information contained herein and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer and/or the Guarantor in connection with the Notes. Each Joint Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect

of this Prospectus, the information contained or incorporated herein or any other information provided by the Issuer and/or the Guarantor in connection with the Notes. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Guarantor since the date of this Prospectus. The Joint Lead Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH (the “**Green Structuring Adviser**”), along with another financial institution, has assisted the Issuer and the Guarantor in setting up the Green Finance Framework (as defined in the “*Use of Proceeds*” section of this Prospectus), and it is a discretionary decision of the Issuer and/or the Guarantor as to whether it will follow such Green Finance Framework in future transactions.

Neither the Green Structuring Adviser, the Joint Lead Managers, the Trustee nor any of their respective affiliates make any representation as to the suitability of the Notes to fulfil environmental criteria required by any prospective investors. Neither the Green Structuring Adviser, the Joint Lead Managers, the Trustee nor any of their respective affiliates have undertaken, nor are they responsible for, any assessment of the Eligible Green Projects (as defined in the “*Use of Proceeds*” section of this Prospectus), any verification of whether the Eligible Green Projects meet any eligibility criteria set out in the Green Finance Framework or the monitoring of the use of proceeds (or amounts equal thereto) or the allocation of the proceeds to particular Eligible Green Projects. DNV GL Business Assurance Services UK Limited (the “*Second Party Opinion Provider*”), has been appointed by the Issuer. Investors should refer to the Green Finance Framework, the Second Party Opinion (as defined in the “*Use of Proceeds*” section of this Prospectus) and any public reporting by or on behalf of the Issuer in respect of the application of proceeds (each of which will be available on the Guarantor’s website (<http://www.segro.com>) and which, for the avoidance of doubt, will not be incorporated by reference into this Prospectus) for information. Neither the Green Structuring Adviser, the Joint Lead Managers, the Trustee nor any of their respective affiliates make any representation as to the suitability or content of such materials.

Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer of, or an invitation by or on behalf of the Issuer and/or the Guarantor, any of the Joint Lead Managers or the Trustee to any person to subscribe for or purchase, any Notes. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor and/or any of the Joint Lead Managers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor.

If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by that Joint Lead Manager or such affiliate, as the case may be, on behalf of the Issuer in such jurisdiction.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see “*Subscription and Sale*”.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Joint Lead Managers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Joint Lead Managers or the Trustee which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the EEA, the United Kingdom (the “**United Kingdom**” or the “**UK**”), Switzerland, Japan and Korea (see “*Subscription and Sale*” for further information on applicable selling restrictions).

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor’s currency;

- (iv) understands the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes;
- (v) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant financial markets; and
- (vi) will be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) the Notes are legal investments for it; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where



that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**RESTRICTIONS OF SALES TO U.S. PERSONS (AS DEFINED IN REGULATION S)** – The Notes have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, pledged, taken up, resold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. The Notes are being offered and sold only to non-U.S. persons outside the United States in reliance upon Regulation S. See “*Subscription and Sale*” below for more details.

## PRESENTATION OF INFORMATION

In this Prospectus, all references to:

- “**Pounds Sterling**” and “**£**” are to the lawful currency of the United Kingdom; and
- “**euro**”, “**EUR**” and “**€**” are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## ROUNDINGS

Percentages and certain amounts in this Prospectus, including financial, statistical and operating information, have been rounded. As a result, the figures shown as totals may not be the precise sum of figures that precede them.

## PRESENTATION OF FINANCIAL INFORMATION

The financial statements relating to the Guarantor, as incorporated by reference into this Prospectus in respect of the six months ended 30 June 2021, the financial year ended 31 December 2020 and the financial year ended 31 December 2019, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the “**EU**”) (“**IFRS**”).

This Prospectus includes certain financial metrics which the Issuer and the Guarantor consider to constitute alternative performance measures (“**APMs**”) and which are provided in addition to the conventional financial performance measures established by IFRS, specifically Gearing, ICR, LTV and TCR (in each case, as defined below). The Issuer and the Guarantor believe the APMs provide investors with meaningful, additional insight as to underlying performance of the Group. An investor should not consider non-IFRS financial measures as alternatives to measures reflected in the Group financial information, which has been prepared in accordance with IFRS. In particular, an investor should not consider such measures as alternatives to profit after tax, operating profit or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities as a measure of the Group’s activity. The Group’s non-IFRS financial measures may not be comparable with similarly titled financial measures reported by other companies.

An explanation of each such metric’s components and calculation method can be found in “*Description of the Issuer, the Guarantor and of the Group – Glossary of Key Terms*”.

## FORWARD LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements which are based on the Issuer's and/or the Guarantor's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These statements include forward-looking statements both with respect to the Group and the markets in which the Group operates. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable and no assurance can be given that such results and estimates will occur, continue or be achieved. These forward-looking statements are identified by the use of terms and phrases such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "seeks", "target", "will", "would" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the business and management, growth and profitability of, and general economic and regulatory conditions and other factors that affect, the Group.

By their nature, forward-looking statements involve unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Group's actual results of operation, financial condition, prospects, growth, synergies, strategies and the dividend policy of the Issuer and the Guarantor, and the development of the industry in which they operate, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. These forward-looking statements are further qualified by the risk factors set out in this Prospectus. The Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate.

Furthermore, the outlook and objectives presented in this Prospectus do not constitute forecast data or estimates of consolidated profit but instead are based on the Group's strategic goals and action plans. These objectives are based on data, assumptions and estimates that the Group considers to be reasonable. These data, assumptions and estimates may change over time or be modified due to uncertainties related to the economic, financial, competitive and regulatory environment as well as other factors. Moreover, the achievement by the Group of the targets and forecasts presented in this Prospectus implies the success of the Group's strategy. In addition, if any of the risks described under section of this Prospectus entitled "*Risk Factors*" were to actually occur, they could have an impact on its businesses, prospects, results of operations, financial condition and/or outlook, and could therefore jeopardize its ability to achieve the objectives presented in this Prospectus. The Group cannot give any assurance or guarantee that it will achieve the objectives described in this Prospectus.

Accordingly, investors are cautioned not to rely on forward-looking statements, outlook and objective presented in this Prospectus when evaluating an investment decision relating to the notes and are urged to read the following sections of this Prospectus: "*Overview*", "*Risk Factors*" and "*Description of the Issuer, the Guarantor and of the Group*". These sections include more detailed descriptions of factors that might have an impact on the Group's business and the markets in which it operates. In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur.

Each forward-looking statement speaks only as of the date of this Prospectus. Except as required by the rules of the London Stock Exchange or by law, each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Prospectus to reflect any change in the Issuer's and/or the Guarantor's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. All subsequent written and oral forward-looking statements attributable to any person involved in the preparation of this Prospectus or to persons acting on the Issuer's and/or the Guarantor's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

Any forward-looking statement contained in this Prospectus based on past or current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this Prospectus is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group.

### **STABILISATION**

**In connection with the issue of the Notes, BNP Paribas (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation action may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.**

## OVERVIEW

*This overview must be read as an overview of certain of the principal features of the Notes and any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference herein. Capitalised terms which are defined in “Terms and Conditions of the Notes” have the same meaning when used in this overview.*

<b>The Issuer:</b>	SEGRO Capital S.à r.l.
<b>The Guarantor:</b>	SEGRO plc
<b>The Group:</b>	The Guarantor, together with its subsidiary undertakings (including the Issuer), associated undertakings and investments.
<b>Notes:</b>	EUR 500,000,000 0.500 per cent. Guaranteed Notes due 22 September 2031
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Notes and there are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee. These are set out under “ <i>Risk Factors</i> ” below, and include risks relating to the markets in which the Group operates generally, risks relating to the Group’s business, financial risks, legal risks, regulatory risks and tax risks. In addition, there are certain factors set out under “ <i>Risk Factors</i> ” below which are material for the purpose of assessing the market risks associated with the Notes, including there being no assurance that a trading market for the Notes will develop or be maintained, that the Notes may be redeemed prior to their maturity, the fact that the Notes are subject to certain transfer restrictions and that the Issuer may rely on paying agents and clearing systems.
<b>Joint Lead Managers:</b>	Bank of China Limited, London Branch, BNP Paribas, Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH and NatWest Markets Plc
<b>Trustee:</b>	The Law Debenture Trust Corporation p.l.c.
<b>Principal Paying Agent:</b>	Citibank, N.A., London Branch
<b>Issue Date:</b>	22 September 2021
<b>Issue Price:</b>	99.119 per cent.

<b>Use of Proceeds:</b>	<p>An amount equal to the net proceeds of the Notes will be used for:</p> <ul style="list-style-type: none"> <li>(i) the general corporate purposes of the Group including the repayment of certain unsecured and secured indebtedness of members of the Group; and</li> <li>(ii) to finance and/or refinance Eligible Green Projects.</li> </ul>
<b>Interest:</b>	<p>The Notes will bear interest on their principal amount from the Issue Date at a rate of 0.500 per cent. per annum payable annually in arrear on 22 September each year up to and including the Maturity Date. The first interest payment will be made on 22 September 2022.</p>
<b>Status:</b>	<p>The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such exceptions as may be provided by applicable laws that are mandatory and of general application.</p>
<b>Form and Denomination:</b>	<p>The Notes will be issued in bearer form in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No definitive Notes will be issued with a denomination below EUR 100,000 or above EUR 199,000.</p> <p>The Notes are intended to be held in a manner which will allow for Eurosystem eligibility.</p> <p>Depositing the Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.</p>
<b>Final Redemption:</b>	<p>The Notes will be redeemed in full at their principal amount together with accrued interest (if any) on 22 September 2031.</p>
<b>Optional Redemption (Issuer):</b>	<p>The Notes are also subject to redemption at the option of the Issuer (i) at any time after the date falling three</p>

calendar months prior to the Maturity Date, in whole or in part, at their principal amount, together with accrued interest (if any); and (ii) at any other time in whole or in part at a redemption price equal to the higher of their principal amount or the sum of the present values of the remaining scheduled payments of principal and interest on the Notes discounted to the redemption date on an annual basis at the Reference Bund Rate plus 15 basis points, together with accrued interest (if any), as further described in Condition 5.3 (*Redemption at the option of the Issuer*).

**Optional Redemption (Holders):** The Notes are subject to redemption at the option of the Holders if at any time while any of the Notes remains outstanding a Restructuring Event is deemed to occur and within the Restructuring Period:

- (A) (if at the time that Restructuring Event is deemed to have occurred there are Rated Securities or the Issuer has a corporate Rating) a Rating Downgrade in respect of that Restructuring Event occurs or is deemed to occur and such Rating Downgrade has not been cured prior to the expiry of the Restructuring Period; or
- (B) (if at such time there are no Rated Securities and the Issuer does not have a corporate Rating) a Negative Rating Event in respect of that Restructuring Event is deemed to occur.

at the principal amount outstanding together with interest accrued to but excluding the Optional Redemption Date, as further described in Condition 5.4 (*Redemption at the option of the Holders*).

**Tax Redemption:** The Notes are subject to redemption in whole at their principal amount together with accrued interest (if any) at the option of the Issuer at any time in the event of certain changes affecting taxation in a Relevant Jurisdiction as further described in Condition 5.2 (*Redemption for tax reasons*).

**Guarantee:** The Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee will be direct, unsecured and unsubordinated obligations of the Guarantor.

**Covenants:** So long as any of the Notes remains outstanding, the Issuer and the Guarantor will be subject to certain

financial covenants, as further described in Condition 3 (*Covenants*).

**Cross Acceleration:**

The Notes will have the benefit of a cross acceleration provision as described in Condition 8 (*Events of Default*).

**Rating:**

The Guarantor has a long-term issuer default rating of A- by Fitch Ratings Ltd.

The Notes are expected, on issue, to be given a credit rating of A by Fitch Ratings Ltd.

As at the date of this Prospectus, Fitch Ratings Ltd is established in the United Kingdom and is registered in accordance with the UK CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Withholding Tax:**

All payments by or on behalf of the Issuer and/or the Guarantor in respect of the Notes will be made free and clear of withholding taxes imposed by a Relevant Jurisdiction as provided in Condition 7 (*Taxation*), save as required by law. In the event that any such deduction or withholding in respect of tax is required by law to be made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 7 (*Taxation*), be required to pay such additional amounts as will result in the Noteholder or Couponholder receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding been required.

**Meetings of Noteholders:**

The Conditions of the Notes and the Trust Deed contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These



provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

**Modification, Waiver and Substitution:**

The Trustee may, without the consent of Noteholders and subject to certain conditions, agree (i) to any modification of (subject to certain exceptions), or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or, the Trust Deed and the other transaction documents relating to the Notes, and (ii) subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders to the substitution of any Subsidiary of the Guarantor in place of (a) the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed, the Notes and the Coupons, or (b) the Guarantor, or any previous substituted company, as guarantor of all sums expressed to be payable under the Trust Deed and the Notes provided, in either case, that such a substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes, the Guarantee and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

**Purchase:**

Subject to certain conditions, the Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market at any price. All Notes purchased on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries shall either be cancelled forthwith, held or, to the extent permitted by law, resold.

**Governing Law:**

The Notes, the Coupons and the Trust Deed, and any non-contractual obligations arising out of or in connection therewith, will be governed by English law. For the avoidance of doubt, the provisions of articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies (as amended) are excluded.

**Listing and Trading:**

Application has been made for Notes to be admitted to the Official List and to trading on the Market.

**Clearing Systems:**

Euroclear and Clearstream, Luxembourg.

**Selling Restrictions:**

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and, subject to certain exceptions, may not be offered or sold within the United States. There are also restrictions on the offer, sale and transfer of the Notes, including in the UK, Switzerland, Japan and Korea and a prohibition on the sale of any Notes to EEA and UK retail investors. See “*Subscription and Sale*” below.

**UK MiFIR Product Governance /  
EU PRIIPs Regulation / UK  
PRIIPS Regulation:**

Solely for the purposes of each manufacturer's product approval processes, the manufacturers have concluded that: (i) the target market for the Notes is eligible counterparties and professional clients only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. No EU PRIIPs Regulation key information document has been prepared as the Notes are not available to retail investors in the EEA.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. No UK PRIIPs Regulation key information document has been prepared as the Notes are not available to retail investors in the UK.

**ISIN:**

XS2360041474

**Common Code:**

236004147

## RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, any prospective investors should carefully consider risk factors associated with any investment in the Notes, the Group's business and the industry in which the Group operates together with all information contained in this Prospectus, including in particular, the risk factors described below.*

*The Issuer and the Guarantor have identified in this Prospectus a number of factors which could materially adversely affect their business and believe that the following factors are the most material risks which may affect their ability to fulfil their respective obligations under the Notes and the Guarantee. The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes. In purchasing the Notes, investors assume the risk that the Issuer and/or the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes and the Guarantee. There is a wide range of factors which individually or together could result in the Issuer and/or the Guarantor becoming unable to make all payments due in respect of the Notes and the Guarantee. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Issuer currently deems immaterial based on information currently available to it or which it may not currently be able to anticipate, may individually or cumulatively also have a material adverse effect on the businesses, prospects, results of operations and/or financial condition of the Group and could materially adversely affect the ability of the Issuer to make payments due under the Notes and/or the Guarantor's ability to make payments under the Guarantee, respectively.*

### **FACTORS THAT MAY AFFECT THE ISSUER, THE GUARANTOR AND THE GROUP, AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE NOTES AND/OR THE GUARANTOR'S ABILITY TO MAKE PAYMENTS UNDER THE GUARANTEE**

#### **(i) Risks Relating to the UK and European Real Estate Market**

##### ***A decline in the logistics sector as a whole could adversely affect the Group's business***

As at the date of this Prospectus, the Group (directly or through joint ventures) has operations and/or assets in the UK, Germany, France, Poland, Czech Republic, Luxembourg, the Netherlands, Spain and Italy, and its investments are concentrated in the logistics sector. The Group is exposed to fluctuating economic conditions in each of the jurisdictions in which it operates and in particular the logistics sector in those jurisdictions. The operations of the Group may be materially adversely affected by an economic slowdown, downturn or recession in any or all of those markets. Any economic downturn in the logistics sector prompted by a decrease in occupier demand for logistics warehousing space, may adversely affect the operations and financial performance of the Group and which may in turn have a material adverse effect on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

##### ***Market diversity risk***

The Group is subject to certain investment restrictions in, and diversifies its portfolio in a manner consistent with, the Group's investment policies. However there can be no assurance that the Group's portfolio will be sufficiently diversified. Significant concentration of investments in any one country, sector or asset class increases the Group's exposure to certain risks and means the Group's performance may be significantly affected by events outside its control that impact that country, sector or asset class. The occurrence of these situations may result in greater volatility in the value of the Group's investments and, consequently, the Group's net asset value, and may

materially and adversely affect the performance of the Group and, consequently, the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

***The Group faces significant competition in each of its markets***

The Group faces significant competition in the markets in which it operates and, more widely, across the UK and continental Europe. Competitors include not only regional investors and real estate developers with in-depth knowledge of the local markets, but also other real estate portfolio companies, including funds that invest nationally and internationally and institutional investors. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Group and adversely affecting the terms upon which future investments can be made. Competitors may have greater financial resources than the Group and a greater ability to borrow funds to acquire real estate assets, and may have the ability or inclination to acquire real estate assets at a higher price or on terms less favourable than those the Group may be prepared to accept. Competition in the real estate market may also lead to prices for existing properties being driven up through competing bids by potential purchasers and may result in the Group's preferred developers being unavailable to assist with the Group's development activities.

The existence and extent of competition in the real estate market may also have a material adverse effect on the Group's ability to secure tenants for properties it acquires at satisfactory rental rates and on a timely basis and to subsequently retain such tenants. Competition may cause difficulty in achieving rents in line with the Group's expectations and may result in increased pressure to offer new and renewing tenants financial and other incentives which reduce the Group's overall return on its investments. Any inability by the Group to compete effectively against other real estate investors or to effectively manage the risks related to competition may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

***The UK and European real estate market and the Group's business is exposed to the effects of the COVID-19 pandemic***

The length and duration of the COVID-19 pandemic, including the response of governments in the UK and throughout Europe, and the consequent impact on the UK and European and global economy remain uncertain. A prolonged pandemic and deep recession in the UK and major European economies, including the markets in which the Group operates, could negatively affect performance of the Guarantor and the wider Group.

Since March 2020, the UK government and various European governments have introduced national lockdowns and "stay at home" orders, which have limited the ability of most workers to leave their homes. The Guarantor, along with key suppliers, moved onto their business continuity plans to be able to continue to provide their services to each customer's business, including providing all staff with equipment to be able to work within government restrictions. Due to the nature of the Guarantor's and Group's business, many of the Guarantor's properties remained open with many essential workers of the tenants in attendance.

The Group continues to assess the impact that COVID-19 has had on its businesses, its real estate assets and its tenants in order to protect the Group's cash flow and rent collection, and any impact on dividends and banking covenants.

The Group anticipates that the COVID-19 pandemic is likely to continue to accelerate structural drivers and behavioural patterns (such as online shopping) seen prior to the onset of the pandemic,

and will continue to drive both occupier and investor demand for the Group's portfolio of warehouses for the foreseeable future.

However, the COVID-19 pandemic presents a relatively new and material risk to the Group's business, and the situation continues to change. It is not possible to fully predict the course of the COVID-19 pandemic and its impact on the Group, which largely depends on external factors which are outside of the Group's control. Although several vaccines have now been approved by national regulators, and are being distributed in the UK and throughout European countries, there can be no assurance regarding the speed or effectiveness of national vaccination programmes, nor whether or not such programmes will result in national restrictions being relaxed or lead to the recovery of national, continental or the global economies. In addition, any or all of the measures and/or restrictions noted above could be reintroduced or re-imposed in connection with any future pandemic or other crisis.

Due to the widespread consequences of the COVID-19 pandemic throughout the world, the potential effects of a wider economic downturn could materially and adversely affect the Guarantor and the Group, and the effects of the COVID-19 pandemic may accentuate many of the other risks set out in this '*Risk Factors*' section.

### ***Risks relating to the UK's exit from the European Union ("Brexit")***

Following a referendum held in the UK on the UK's continued membership of the EU on 23 June 2016, the UK left the EU on 31 January 2020 at 11pm ("**Exit Day**"). The UK and the EU agreed a transition period on Exit Day intended to facilitate an orderly departure of the UK from the EU which expired on 31 December 2020 at 11pm. As a result, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The UK is also no longer part of the EEA.

The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made thereunder ensure that there is a coherent, functioning legal framework in the UK now EU law ceases to apply to the UK. While temporary transitional measures introduced by UK, and in certain cases EU, regulators may be available in certain circumstances, there are no broadly applied arrangements between the UK and the EU that accommodate mutual recognition or equivalence for regulatory purposes and no assurances can be made that any such arrangements will be available in the UK and/or the EU in the future.

Negotiations between the UK and the EU on more detailed aspects of their future relationship are ongoing and the results of these negotiations, as well as future UK political and policy changes will continue to impact the UK economy, the UK commercial property market and the business of the Group. Whether such changes will be positive or negative for the Group on an overall basis will remain uncertain for an extensive period of time.

In terms of the possible risks for the Group, the Group operates in the UK and continental Europe, with 62 per cent. of the Group's combined property portfolio located in the UK as at 31 December 2020. The main risk to the Group posed by the UK leaving the EU is that economic growth has been negatively impacted and the Guarantor believes that economic growth is an important driver of occupier demand for space. A supportive economic environment encourages businesses to grow and therefore to secure extra space. However, for many of the Group's customers, Brexit and the threat of border disruption has added further demand for more resilience in their supply chains and therefore increased demand for diversified space across the UK and Europe.

The Group has regular engagement with key suppliers and customers to understand how the UK's withdrawal from the EU is affecting their business. The Guarantor believes that the Group's diverse customer base, flexible business model and operations in both the UK and continental Europe are also expected to put the Group in a better position to manage the challenges posed by Brexit than other providers of commercial real estate space in the UK.

Negative impacts of Brexit on the Group's business, its customers and suppliers may materially and adversely affect the performance of the Group and, consequently, the ability of the Issuer to service its obligations under the Notes and/or the Guarantor's ability to make payments under the Guarantee. Continuing political or economic uncertainty and instability could also materially and adversely affect the operational, regulatory, tax and insurance regime to which the Group is currently subject. The effect of these risks could be to increase compliance and operating costs for the Group and may also materially affect the Group's tax position or business, results of operations and financial position more generally.

### ***Other external risks***

External events such as civil emergencies, terrorist attacks, environmental disasters or extreme weather occurrences could result in damage to the Group's properties or otherwise inhibit or prevent access to the Group's properties, which in turn may impact upon the operations of the Group's occupiers. The occurrence of such events could give rise to reduced occupier and investor demand for the Group's properties resulting in reduced property values and rental income. This would have a material adverse impact on the Group and the value of its assets and, accordingly, the financial condition of the Group and the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

### **(ii) Risks Relating to the Group's Business and Strategy**

***Real estate investments are not as liquid as other types of assets, which may result in low disposal prices or an inability to sell certain properties in a timely manner or at all, and the Group may be exposed to future liabilities and/or obligations with respect to the disposal of property investments***

Real estate investments are not as liquid as other types of investment and this lack of liquidity may limit the Group's ability to react promptly to changes in economic or other conditions. For example, the Group may not be able to sell properties at prices that reflect their current market value or at all in the event of a downturn in the market. In addition, significant expenditure associated with real estate investments, such as debt servicing payments, real estate taxes and maintenance costs, are relatively fixed, despite circumstances causing a reduction in income from such investments. Certain costs are also incurred in the sale of real estate properties, which can significantly reduce the proceeds received by the Group from any such sales of properties.

The Group is a long-term property holder, and, whilst disposals are made from time to time, the Group's business is not reliant on disposals, however the Group could suffer a loss of value from an ineffective disposal process, leading to significant under-pricing or cost exposure and/or delays on disposals. The Group could also incur unapproved and undocumented liabilities post disposal. The Group could fail to complete planned disposals in a timely manner, leading to lower returns and constraints on acquisition funding and therefore the Group's ability to execute its strategy. In the case of an accelerated sale, or a sale required for compliance with covenants contained in the Group's financing arrangements, there may be a significant shortfall between the carrying value of the property on the Group's consolidated balance sheet and the price achieved on the disposal of

such property, and there can be no assurance that the price obtained from such a sale would cover the book value of the property sold. The Group could also find itself unable to make a disposal due to lack of demand.

If the Group is unable to generate proceeds through disposals, or if there is a material delay in effecting disposals, this may adversely impact the liquidity and cash flow of the Group and therefore have a material adverse effect on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

#### ***Reliance on lease payments and exposure to a variety of customers***

The Group derives its revenue directly from rent received from its commercial tenants. A downturn in business, bankruptcy or insolvency of a tenant could force such tenant to default on its rental obligations and/or vacate the premises. Although the Group has a diverse pool of tenants, and therefore believes its risk is lower than if its tenants were concentrated in one industry or sector, such a default, in particular by one of the Group's top ten tenants, or a substantial increase in vacancy rates in the Group's portfolio, could result in a loss of rental income, additional expenses, an increase in bad debts and decreased property value. Under current economic conditions, which continue to create a difficult trading environment for some commercial businesses, the risk of such defaults is increased.

The operating and other expenses of the Group could increase during the term of leases entered into by the Group without a corresponding increase in turnover generated by the leases. Accordingly, the Group would need to absorb such increased operating and other expenses until such time that a relevant lease may be renegotiated or renewed. Factors which could increase operating and other expenses include: (a) increases in property taxes and other statutory charges; (b) changes in laws, regulations or government policies which increase the costs of compliance; (c) increases in insurance premiums; (d) unforeseen increases in the costs of maintaining properties; (e) defects affecting the properties which need to be rectified; and (f) failure of sub-contractors leading to unforeseen costs.

Any of the scenarios described above could have a material adverse effect on the Group's financial condition, business, prospects and results and the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

#### ***Dependence on ability to renew leases or re-lease space on favourable terms as leases expire***

There can be no assurance that tenants of the Group will renew their leases at the end of their current tenancies or, if they do not, that new tenants of equivalent standing (or any new tenants) will be found to take up replacement leases. This is particularly the case where a property requires refurbishment or redevelopment following the expiry of a tenancy or where the building was specially configured for the prior tenant. Tenants with the benefit of contractual break rights may also exercise these rights to bring the leases to an end before the contractual termination date. During void periods, the Group will not generate rental income and will incur additional expenses (for example, insurance, service charges and security) until the property is re-let. Further, the Group may incur additional costs as a result of providing financial inducements to new tenants, such as rent free periods. Even if tenant renewals or replacements are effected, there can be no assurance that such renewals or replacements will be on terms (including rental levels and rent review terms) that are as favourable to the Group or that new tenants will be as creditworthy as previous tenants. Should the Group be unable to renew or replace a lease following its expiration, or only be able to lease a property on less favourable terms, this may have a material adverse effect on the results

of operations of the Group and on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

***The Group is exposed to third party service providers and contractors, who may fail to perform their contractual obligations***

The Group may undertake development or redevelopment projects or invest in property that requires refurbishment prior to re-letting the property. The Group will typically be dependent on the performance of third party contractors who undertake the management or execution of such development, redevelopment or refurbishment on its behalf. While the Group seeks to negotiate contractual protections when engaging third party service providers, such development, redevelopment or refurbishment projects expose the Group to various risks including, but not limited to: delays in the timely completion of projects; failure by third party contractors in performing their contractual obligations or poor quality workmanship from such contractors; insolvency of such third party contractors; cost overruns in relation to the services provided by the third party contractors that are not borne by such contractors; and project delays resulting in a consequential delay in properties being available for occupancy. Any such failures on the part of a third party service provider could adversely impact the value of the Group's property assets which may, in turn, have a material adverse effect on the Group's performance, financial condition and business prospects. In addition, there is a risk of disputes with third party contractors or sub-contractors should they fail to perform against contractual obligations. Any litigation or arbitration resulting from any such dispute may increase the Group's expenses.

***The Group faces the risk of default or other adverse actions by its customers***

The Group faces the risk that its customers may be unwilling or unable to meet their rental commitments, which could result from the impact of macroeconomic conditions or be the result of other factors, which could result in: (a) an inability to collect amounts receivable on a timely basis or at all (late payments and non-payments of invoices issued by the Group are more likely to occur in unfavourable market conditions); (b) renegotiation of payment terms which are unfavourable to the Group; (c) customers defaulting on commitments to occupy a 'pre-let' development project, leading to increased vacant building costs and impaired cash flow; (d) customers vacating a building and the Group incurring empty rates liabilities; or (e) an inability to re-let space if a customer vacates several of the Group's properties simultaneously or vacates a bespoke property.

In some instances, deposits may be held by the Group based on an assessment of a customer's credit risk. However, in circumstances where a customer is unable to meet a rental commitment, such deposits are, in practice, usually required to cover uncollected rent and any required dilapidation spend on a relevant property. Accordingly, in practice, such deposits are unlikely to offer the Group complete (or, in some cases, even part) protection against any empty rates liabilities.

Negative changes in the financial condition of a significant number of the Group's customers, including actual customer failure, could result in a substantial decline in the Group's rental income or its ability to comply with its financial covenants. Similarly, a decline in demand for the Group's services could result in a substantial decrease in the Group's rental income. Such a decline could result from a range of factors affecting individual circumstances of customers or affecting customers more broadly. An example of the latter would be the ongoing global Covid-19 pandemic and the consequential impact on many of our customer's businesses (for more information see "*Description of the Issuer, the Guarantor, and of the Group - Operational Excellence*").



These factors could each have a material adverse impact on the Group's business, prospects, financial condition and/or results of operations and on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

***The Group may incur environmental liabilities and be subject to changing environmental laws and regulations***

Laws and regulations, which may be amended over time, may impose environmental liabilities associated with real estate assets on the Group (including environmental liabilities that were incurred or that arose prior to the Group's acquisition of such real estate assets). Such liabilities may result in significant investigation, removal, or remediation costs regardless of whether the Group originally caused the contamination or other environmental hazard. In addition, environmental liabilities could adversely affect the Group's ability to sell, lease or redevelop a property, or to borrow using a property as security and may in certain circumstances (such as the release of certain materials, including asbestos, into the air or water) form the basis for liability to third persons for personal injury or other damages. The Group's investments may include properties historically used for commercial, industrial and/or manufacturing uses. Such real estate assets are more likely to contain, or may have contained, storage tanks for the storage of hazardous or toxic substances. Leasing properties, such as those containing warehouses, to tenants that engage in industrial, manufacturing and other commercial activities will cause the Group to be subject to increased risk of liabilities under environmental laws and regulations. In the event the Group is exposed to environmental liabilities or increased costs or limitations on its use or disposal of properties as a result of environmental laws and regulations, this may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on the Group's investments. Compliance with such current or future environmental requirements does not ensure that the Group will not be required to incur additional unforeseen environmental expenditures.

Furthermore, the presence of environmentally hazardous substances, or the failure to remediate damage caused by such substances, may adversely affect the Group's ability to sell or lease the relevant property at a level that would support the Group's investment strategy which would, in turn, have a material adverse effect on the Group's performance, financial condition and business prospects.

There can be no assurance that such asset will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations in the properties in which the Group invests could also result in material personal injury or property damage claims, which could have a material adverse effect on the financial condition of the underlying entities and businesses in which the Group invests and therefore the Group.

***The Group's portfolio may become obsolete***

Asset management plans to minimise obsolescence may be ineffective owing to internal or external factors. Asset management decisions are based on assumptions about customers' future requirements. If these requirements change against expectations then there is a risk of increased obsolescence. Furthermore, some of the Group's assets consist of older, more inefficient buildings, which are likely to become obsolete sooner than the remainder of the Group's portfolio, especially in the context of e-commerce space requirements. In addition, there are numerous external factors

that could cause customers to change their property requirements, including changes in legislation, increases in fuel costs and technological advances. More stringent requirements for environmental protection may be imposed by the relevant authorities in the future, which could render the Group's buildings or properties technically obsolete. All of these factors may lead to a corresponding loss of value and rental income which could have a material adverse effect on the Group's financial condition, results of operations and prospects.

***The Group's investment strategy may be unsuccessful***

The Group's portfolio could underperform in absolute or relative terms as a result of an inappropriate investment strategy, such as holding property in markets which do not perform as well as expected; holding the wrong balance between primary and secondary assets; committing the wrong level of speculative development; holding too many old or obsolete assets which dilute returns; and/or missing opportunities in new markets.

Further, there is no assurance that the Group will realise anticipated returns on an investment in property development, redevelopment or refurbishment. Failure to generate anticipated returns from such projects, whether due to failures in the performance of the Group's third party contractors, failures by the Group in properly supervising such third party contractors or otherwise, may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

Any of these consequences of an unsuccessful investment strategy may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

***The Group's acquisitions and investments involve risks that may not have been uncovered by prior due diligence or that may have been incorrectly evaluated by the Group, including in relation to the incorrect appraisal of the value of acquired properties or property portfolios***

Prior to entering into an agreement to acquire any real estate asset the Group performs due diligence on the proposed investment. In doing so the Group typically relies in part on third parties to conduct a significant portion of this due diligence (including providing legal reports on title and property valuations).

There can be no assurance that any due diligence examinations carried out by third parties on behalf of the Group in connection with any assets the Group may acquire will reveal all of the risks associated with that asset, or the full extent of such risks. To the extent that the Group or any third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Group may incur, directly or indirectly, unexpected liabilities, such as defects in title, an inability to obtain permits, environmental, structural or operational defects requiring remediation and/or not covered by indemnities or insurance. In addition, if there is a failure of due diligence, there may be a risk that properties are acquired which are not consistent with the Issuer's investment policies and strategy, that properties are purchased for a price which exceeds their fair value, that properties are acquired that fail to perform in accordance with projections or that material defects or liabilities are not covered by insurance proceeds. This may, in turn, have a material adverse effect on the Group's performance, financial condition and business prospects.

Any of these consequences of a due diligence failure may have a material adverse effect on the Group's financial condition, business, prospects and results of operations and therefore have a material adverse effect on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

### ***Property valuation is inherently subjective and uncertain***

The valuation of the Group's property and property-related assets is undertaken by third-party valuers but is inherently subjective owing to the individual nature of each property. This is particularly so when there has been limited transactional experience against which property valuations can be benchmarked. A valuation is an estimate of the fair value of the property and valuers rely on a variety of assumptions when appraising properties. As a result, valuations are subject to a degree of uncertainty. Moreover, property valuations are made on the basis of assumptions which may not prove to be accurate. The Group makes certain assumptions about the direction and extent of future property market trends (including valuation yields and market rents). Valuations do not therefore necessarily represent the price at which the property could be sold in the open market, which could adversely affect the value of the Group's portfolio and therefore have a material adverse effect on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

### ***Fluctuations in the fair market value of the Group's properties as a result of revaluations may have a significant effect on the Group's consolidated balance sheet and income statement***

The Group's properties are independently revalued bi-annually, and any increase or decrease in the value of its properties is recorded in the Group's consolidated statement of income in the period during which the revaluation occurs. As a result, the Group can have significant non-cash gains and losses from period to period, depending on the change in fair market value of its properties. Any such fluctuations could have an adverse effect on the Group's financial condition and results of operations. Furthermore, in periods of economic volatility and/or low market liquidity, it can become more difficult for independent valuers to prepare an assessment of the fair market value of properties and this can in turn create uncertainty regarding how the Group's properties are valued. This might adversely affect the Group's financial position and have a material adverse effect on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

### ***Maintenance and redevelopment costs could negatively affect the results of the operations of the Group***

If the Group does not carry out maintenance, refurbishment and redevelopment, its properties may become less attractive to customers and rents may fall. Additionally, the Group may need to expend additional funds to keep its ageing properties (if any) in adequate repair. A failure to undertake such maintenance, refurbishment and/or redevelopment or an increase in the Group's maintenance, refurbishment and redevelopment costs relating to the Group's portfolio could have a material adverse effect on the Group's results of operations and the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

### ***The Group's joint ventures and other forms of co-ownership subject the Group to certain risks of shared ownership and control of the properties affected***

The Group has entered, and may enter in the future, into joint ventures (such as the SEGRO European Logistics Partnership ("SELP") joint venture) with certain business partners.

Under such arrangements, the Group is required to share control and specified major decisions require the approval of the Group's business partners. The Group's business partners may have economic or business interests that are inconsistent with the Group's objectives or those business

partners could become insolvent, potentially leaving the Group liable for their share of any liabilities relating to the investment or joint venture. Although the Group generally seeks to maintain sufficient control of any business partnership to permit its objectives to be achieved, it might not be able to take action without its business partner or partners. Accordingly, the use of joint ventures could prevent the Group from achieving its objectives and could limit its business opportunities, which may have a material adverse impact on the Group's business, prospects, financial condition and/or results of operations, which may consequently affect the ability of the Issuer to service its obligations under the terms of the Notes and/or the Guarantor's ability to make payments under the Guarantee.

In addition, the bankruptcy, insolvency or severe financial distress of one of the Group's business partners could materially and adversely affect the relevant joint venture or joint venture property. The Group may have a right to acquire the joint venture or the relevant joint venture property, but the Group may not wish to do so, or may not have sufficient funds available to do so, which could lead to a third party acquiring such interest or the joint venture's insolvency, both of which may have a material adverse impact on the Group's business, prospects, financial condition and/or results of operations and the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

Equally, if the Group were to fail to comply with its obligations in relation to such business partners in respect of any relevant joint venture arrangements (for example, amongst other things, by failing to follow a mandated governance procedure, defaulting under any of the Group's credit facilities or otherwise failing to comply with the terms of any relevant joint venture agreement), the Group may incur significant costs and/or be required to dispose of its stake in any relevant joint venture at less than its market value.

In addition, given the business relationships which exist between the Group and its joint venture partners, the Group is subject to reputational risk from adverse publicity which may, directly or indirectly, arise as a result of such relationships.

These risks may have a material adverse impact on the Group's business, prospects, financial condition and/or results of operations and the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

#### ***Holding excess or insufficient development land***

The Group holds land banks to support future growth and development opportunities. Although the Group's development programme and land holdings are subject to regular review, certain developments may be postponed or cancelled, resulting in excess development land. In the event of a downturn, developments may be postponed while the capital costs associated with land banks continue and planning permissions obtained may expire. There is a risk that holding too much development land, or holding development land for long periods, may dilute the Group's returns on its investments owing to capital being invested in unproductive assets.

Conversely, there is also a risk that if the Group holds insufficient development land, the Group may be constrained by the availability and cost of, suitable land for development. This may, in turn, restrict the Group's ability to develop new properties in accordance with its strategy, and to take advantage of increases in tenant demand. Either of these risks may have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

#### ***Insurance risk***

To the extent available, the Group aims to maintain insurance to cover its interests in its portfolio against all normally insurable risks of loss or damage, for loss of rent insurance for a period of not less than three years and against acts of sabotage and terrorism, including any third party liability arising from such acts.

The Group currently maintains public liability insurance over the properties owned by the Group. Insurance maintained by the Group is arranged on terms and conditions that are consistent with market practice following consultation with insurance brokers engaged in UK and European real estate, and is renewed on an annual basis. It may become either impossible or uneconomical to insure its portfolio, particularly regarding coverage for certain types of risk (such as war, nuclear events, terrorism, civil disturbances, earthquake, flood, environmental matters and customer rent default) in some or all territories in which the Group holds investments. In addition, in the event that the Group does not pay the insurance premiums when due or takes, or fails to take, any action which voids the insurance policies, the Group might not have the benefit of the applicable insurance policies. In the event of an uninsured loss, or a loss in excess of insured limits, the Group may lose both its capital invested in, and the return expected from, the investments concerned, while remaining liable with respect to indebtedness and other obligations incurred in connection with such investments. If any such event were to occur, the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable, may be materially adversely affected.

### ***Development risk***

The Group may undertake 'on balance sheet' developments. Risks associated with such developments may include: that the Group's development projects may be subject to the hazards and risks normally associated with the construction and development of commercial real estate, any of which could result in increased costs and/or damage to persons or property; planning permissions for developments may be delayed or refused or granted on onerous terms, which would result in a development not proceeding as intended and potentially increased costs; failure to find suitable funding for proposed developments could mean the Group is unable to take advantage of development opportunities; a development project may be unsuccessful, with the investment cost exceeding the value of the project on completion; and a failure of the asset to generate income in these circumstances.

The Group may commit significant time and resources to a project but may be unable to complete it successfully, which could result in loss of some or all of the investment in that project. Postponement or cancellation of a property development may result in the Group holding too much development land, which may dilute the returns due to capital being invested in unproductive assets. In addition, failure to complete a property development according to its original schedule or business case, may give rise to investment returns being lower than originally expected, customers exiting contracts and/or bringing claims for damages against the Group due to the Group's breach of pre-let agreements, and potential liabilities.

The occurrence of one or more of the events described above could adversely affect the Group's financial condition, results of operations, future prospects, cash flow and the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

### ***Personnel risk***

The Group relies significantly on the knowledge and experience of each of the managers of the Issuer and the directors of the Guarantor (see "*Description of the Issuer, the Guarantor, and of the*

Group”). The Group is reliant on the managers and directors to provide expertise and scrutiny of the Group’s undertakings. In the event that any or all of the managers or directors was to cease to act in its respective capacity for the Group, the Group may have difficulties in replacing such individuals with those with a similar level or knowledge and experience, which in turn could cause disruption to the management structure and relationships, an increase in costs associated with staff replacement, lost business relationships or reputational damage, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

***Information technology systems and infrastructure face certain risks, including cyber-security and data storage risks***

The Group could suffer a sustained loss of access to systems and data, including potentially permanent loss of data arising from a catastrophic event at the Group’s data centres.

The Group could suffer a cyber security breach leading to direct financial loss, compromised confidential information or service disruption as a result of malicious network penetration, malicious staff action or staff negligence. Consequences could include financial damage from commercially confidential information being available to competitors or counter-parties, customer or employee data privacy breach, loss of reputation and stakeholder confidence in the Group, business interruption, the cost of replacement or remediation of a breach, and direct financial loss from the theft of cash, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

**(iii) Risks Relating to Legal, Regulatory and Tax Obligations**

***Requirement for UK and EU merger control clearance may affect the ability of Group to acquire assets***

The Guarantor is subject to the provisions of the Enterprise Act 2002 (“**EA 2002**”) and certain members of the Group are subject to Council Reg. (EC) 139/2004 (the “**EU Merger Regulation**”). The Group must notify and obtain pre-clearance from the Competition and Markets Authority (“**CMA**”) and/or the European Commission (as applicable) when it intends to acquire any income producing logistics asset. If the CMA (pursuant to its powers under EA 2002) or the European Commission (pursuant to its powers under the EU Merger Regulation) were to reject one or more applications by the Group for clearance to acquire a particular asset, this may prevent the Group from attaining its stated objective of increasing assets under management and render the Group unable to acquire income producing assets. The occurrence of such events could have a material adverse effect on the Group’s business, financial condition and results of operations.

***National regulatory risk***

In each of the jurisdictions in which the Group operates it has to comply with laws, regulations and administrative policies which relate to, among other matters, listing regulations, capital, tax, real estate investment trusts, financial accounting, planning, developing, building, land use, fire, health and safety, the environment and employment. These regulations often give broad discretion to the administering authorities. Each aspect of the regulatory environment in which the Group operates is subject to change, which may be retrospective, and changes in regulations could affect, amongst other things, operational costs, costs of property ownership, the rate of building obsolescence and the value of properties. Consequently, the ability of the Issuer and/or the Guarantor to service their

respective obligations under the Notes or the Guarantee, as applicable, may be materially and adversely affected.

### **Taxation risk**

Maintaining a tax-efficient structure is an important factor affecting operating results. The Group holds its portfolio through a number of subsidiaries and other investment vehicles and endeavours to operate in a tax efficient manner. However, tax charges and withholding taxes in various jurisdictions in which the Group may invest will affect the level of intercompany loan payments, distributions or other payments made to it by operating subsidiaries. Future changes in tax treaties, laws or regulations by tax authorities in jurisdictions in which the Group operates could increase tax liabilities and/or require changes in the structure of the Group. Furthermore, no assurance can be given as to the level of taxation which may be suffered by the Group going forward. These risks could negatively affect the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

### **OECD's BEPS action points**

The Organisation for Economic Co-operation and Development ("**OECD**") together with the G20 countries have committed to address abusive global tax avoidance, referred to as base erosion and profit shifting ("**BEPS**") through 15 actions detailed in reports released on 5 October 2015.

As part of the BEPS project, new rules dealing *inter alia* with double tax treaties abuse, the definition of permanent establishments, controlled foreign companies and hybrid mismatch arrangements, have been introduced into respective domestic law of BEPS member states via EU directives and a multilateral instrument.

In particular, the European Council has adopted two Anti-Tax Avoidance Directives (being, Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("**ATAD I**") and Directive 2017/952/EU of 29 May 2017 amending ATAD I as regards hybrid mismatch rules ("**ATAD II**") that address many of the above-mentioned issues. The measures included therein were implemented into Luxembourg law on 21 December 2018 (the "**ATAD I Law**") and 20 December 2019 (the "**ATAD II Law**"). Most of the ATAD I Law related measures are applicable from 1 January 2019 and most of the ATAD II Law measures are applicable from 1 January 2020. ATAD I Law and ATAD II Law may affect the taxation of the Issuer and/or the Guarantor.

At international level, the "Multilateral Convention to Implement Tax Treaty Related Measures to prevent Base Erosion and Profit Shifting" ("**MLI**") was published by the OECD on 24 November 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing the results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. The ratification process of Luxembourg has been achieved through the law of 7 March 2019 and the deposit of the ratification instrument with the OECD on 9 April 2019. As a consequence, the MLI entered into force on 1 August 2019. Its application per double tax treaty concluded with Luxembourg will depend on the ratification by the other contracting state and on the type of tax concerned. Subsequent changes in tax treaties negotiated by Luxembourg could adversely affect the returns of the Issuer.

#### **(iv) Risks Relating to the Group's Financing**

##### ***Capital Funding Risk***

When a tenant of one of the Group's properties does not renew its lease or otherwise vacates its space (which may be earlier than anticipated), in order to attract one or more new tenants on terms satisfactory to the Group, the Group may be required to expend funds to construct new improvements in the vacated space. Furthermore, whilst the Group budgets for planned capital expenditure in line with available cash resources, the Group may sometimes be required to incur unexpected capital expenditure in respect of one or more of its real estate assets for which it has not planned or budgeted. While the Group intends to manage its cash position and access to financing to allow it to pay for any improvements or upgrades of a property required for re-letting and to allow it to pay for a certain level of unplanned capital expenditure, the Group cannot be certain that it will have adequate sources of funding available to it for such purposes at all times. In the event the Group has inadequate resources it may be unable to proceed with, or may be required to delay, such improvements or capital expenditure, which could result in certain real estate assets being vacant for extended periods or otherwise earning less income than they would if such improvements or capital expenditure were undertaken.

This would result in falling revenues and could have a material adverse effect on the Group's results of operations and the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

##### ***Leverage and refinancing risk***

The Group uses leverage to assist the fulfilment of its investment objectives. The Group seeks to use leverage in a manner they believe is prudent and in accordance with the leverage limits in the Group's investment policy. However the use of leverage exposes the Group to a variety of risks normally associated with borrowing, including adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Group's investments or the real estate sector.

To the extent that the Group incurs a substantial level of indebtedness, this could also reduce the Group's financial flexibility and cash available to the Issuer or the Guarantor due to the need for the Group to service its debt obligations. Prior to agreeing to the terms of any debt financing, the Group comprehensively considers its potential debt servicing costs and all relevant financial and operating covenants and other restrictions. However, if certain extraordinary or unforeseen events occur, including breach of financial and operating covenants, the Group's borrowings may be repayable prior to the date on which they are scheduled for repayment or could otherwise become subject to early termination. If the Group is required to repay borrowings early, it may be forced to sell assets when it would not otherwise choose to do so in order to make the payments and it may be subject to pre-payment penalties. Creditors could also force the sale of an asset through foreclosure or through the Group being put into administration.

In addition, in the event that the income from the Group's portfolio falls (for example, due to tenant defaults leading to a loss of rental income or a substantial number of vacant properties in the Group's portfolio), the use of leverage increases the impact of such a fall on the net income of the Group and, accordingly, may have an adverse effect on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable. Moreover, in circumstances where the value of the Group's assets is declining, the use of leverage by the Group may depress its net asset value.



The Group may also find it difficult, costly or not possible to refinance indebtedness as it matures and, if interest rates are higher when the indebtedness is refinanced, the Group's costs could increase. Any of the foregoing events may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

***Restrictions in the Group's borrowings may restrict the Group's activities or business plans and adversely affect the Group's ability to finance ongoing operations, strategic acquisitions, investments and development projects***

The Group's credit facilities and other borrowings impose certain restrictions on the Group. These restrictions may affect, limit or prohibit the Group's ability to create or permit to subsist any charges, liens or other encumbrances in the nature of a security interest; incur additional indebtedness by way of borrowing, leasing commitments, factoring of debts or granting of guarantees; make any material changes in the nature of its business as presently conducted; sell, transfer, lease or otherwise dispose of all or a substantial part of its assets; amend, vary or waive the terms of certain acquisition documents or give any consent or exercise any discretion thereunder; acquire any businesses; or make any co-investments or investments. If the Group were to seek to vary or waive any of these restrictions (for example, in the aftermath of material adverse movements in the valuation of the assets within the Group's portfolio) and the relevant lenders did not agree to such variation or amendment, the restrictions may limit the Group's ability to plan for or react to market conditions or meet capital needs or otherwise restrict the Group's activities or business plans and adversely affect the Group's ability to finance ongoing operations, strategic acquisitions, investments and development projects.

In particular, if the Group failed to comply with the financial covenants in its credit facilities or other borrowings (due, for example, to deterioration in financial performance or falls in asset valuations), it could result in acceleration of the Issuer's obligations to repay those borrowings or the cancellation of those credit facilities or inability to refinance borrowings more generally. In addition, such a breach and foreclosure would lead to reputational damage to the Group further increasing difficulties in obtaining external financing or the costs of any additional external financing. Examples of covenants that could be breached include gearing ratios (for example, if property valuations fall) and interest cover ratios (for example, if income falls or non-hedged interest costs rise).

These risks may have a material adverse impact on the Group's business, prospects, financial condition and/or results of operations.

***Subordination to creditors of Group's subsidiaries***

***Third Party Debt***

As at the date of the Prospectus, the Group does not have any financing arrangements secured against the Group's portfolio. However, it may in future have in place third party financing arrangements whereby the financing party holds a prior charge over the assets upon which monies have been lent to the Group. Properties secured in this manner would not form part of the general assets of the Group that would be available to holders of Notes in the case of insolvency or liquidation, although any excess proceeds from liquidation of the relevant loans, after satisfaction of the claims of the lenders, would be available to Noteholders. Accordingly, holders of the Notes

will be subordinated to any secured lenders to the extent of their claims against the assets secured in respect of those secured borrowings.

#### *Unsecured Creditors*

Generally the claims of creditors of subsidiaries of the Guarantor some of which are unsecured creditors, will have priority over claims of the Guarantor with respect to the assets and earnings of such subsidiaries. In the event of a bankruptcy, liquidation, winding-up, dissolution, receivership, insolvency, reorganisation, administration or similar proceeding relating to any one or more of the Guarantor's subsidiaries, holders of such subsidiaries' indebtedness and the trade creditors of such subsidiaries will generally be entitled to payment of their claim from the assets of such subsidiaries before assets are made available for distribution to the Guarantor.

#### ***Interest rate, foreign exchange and hedging risk***

The Group, through its activities, is exposed to market risks which can generate losses as a result of fluctuations in interest rates and/or currency exchange rates. Failure to hedge effectively against adverse fluctuations in interest rates could negatively affect the Group's operational results. The Group's operational results may be adversely affected if its hedges are not effective to mitigate interest rate risks, if the Group is under-hedged or if a hedge provider defaults on its obligations under the Group's hedging agreements. Furthermore there can be no assurance that the Group's interest rate hedging arrangements or hedging policy will be effective. This may have a material adverse effect on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

Additionally, changes in the interest rates of countries outside the UK and Eurozone may also affect the financial position of the Group and the results of operations. Such fluctuations in exchange rates and interest rates may consequently have a material adverse effect on the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable.

#### ***Risks associated with lack of liquidity or unavailability of funding***

The Group may need to raise further funds, including through further borrowing, to optimally implement the Group's investment policy and achieve the Group's investment objectives. Whilst the Group is not currently aware of any factors that could adversely affect its ability to obtain such additional financing, there can be no guarantee that the Group will be able to raise such additional capital on acceptable terms, or at all, when it is needed.

The Group's investment strategy includes funding the acquisition of investments, in part, through borrowing. The Group's ability to obtain credit on acceptable terms is subject to a wide variety of factors, including its own credit status as well as many factors which are outside the Group's control, such as the condition of the financial markets, government and bank policies, interest rates and overall demand for credit. There can be no guarantee that the Group will be able to obtain the further credit it may need on acceptable terms. A decrease in the availability of credit may impair the Group's ability to enter into certain transactions, which may affect its ability to achieve its investment objectives and which could, consequently, have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

**(v) Risks Relating to the Issuer**

***The Issuer is a finance vehicle***

The Issuer is a finance vehicle and not an operating company. The business of the Issuer is the issuance of debt on behalf of the Group. The Issuer does not have any subsidiaries or employees, or own, lease or otherwise hold any real property (including office premises or similar facilities), and will not consolidate or merge with any other person. Accordingly, a substantial part of the assets of the Issuer are capital contributions or loans made to it by other members of the Group and the ability of the Issuer to satisfy its obligations in respect of the Notes depends upon payments being made to it by other members of the Group in respect of such capital contributions or loans.

## **FACTORS THAT MAY AFFECT THE NOTES AS AN INVESTMENT DECISION**

Set out below is a brief description of the principal risks inherent in investing in the Notes:

### ***Risks associated with redemption of the Notes***

The Notes are subject to redemption at the option of the Issuer (i) at any time during the period of three months immediately preceding the Maturity Date in whole or in part at par, together with accrued interest (if any) and (ii) at any other time in whole or in part at a redemption price equal to the higher of their principal amount or the sum of the present values of the remaining scheduled payments of principal and interest on the Notes discounted to the redemption date on an annual basis at the Reference Bund Rate (as defined in Condition 5.3) plus 15 basis points, together with accrued interest (if any). Accordingly, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. Accordingly, an investor generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. Potential investors should consider reinvestment in light of other interest rates available at that time.

### ***Modification, waivers and substitution***

The Trustee may, without the consent of Noteholders and subject to certain conditions, agree (i) to any modification of (subject to certain exceptions), or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or the Trust Deed and the other transaction documents relating to the Notes, and (ii) subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, to the substitution of any Subsidiary of the Guarantor in place of (a) the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed, the Notes and the Coupons, or (b) the Guarantor, or any previous substituted company, as guarantor of all sums expressed to be payable under the Trust Deed and the Notes provided, in either case, that such a substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes, the Guarantee and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

### ***The insolvency laws of Luxembourg may not be as favourable to prospective investors as insolvency laws of jurisdictions with which such investors may be familiar and may preclude holders of the Notes from recovering payments due on the Notes***

The Issuer is incorporated in and has its head office (*administration centrale*) and its centre of main interests (*centre des intérêts principaux*) in Luxembourg. Accordingly, insolvency proceedings with respect to the Issuer will in principle proceed under, and be governed by, Luxembourg insolvency laws. The insolvency laws of Luxembourg may not be as favourable to investors' interests as those of other jurisdictions with which investors may be familiar and may limit the ability of Noteholders to enforce the terms of the Notes. Insolvency proceedings may have a material adverse effect on the Issuer's business and assets and its ability to fulfil its obligations under the Notes.

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in euro and the Guarantor will make any payments under the Guarantee in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the

“Investor's Currency”) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer and/or the Guarantor to service their respective obligations under the Notes or the Guarantee, as applicable. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***There can be no assurance that the use of proceeds of the Notes and the Eligible Green Projects will be suitable for the investment criteria of an investor in the Notes***

It is the Issuer's intention to apply an amount equal to the net proceeds of the issuance of the Notes towards Eligible Green Projects (as defined in the "Use of Proceeds" section of this Prospectus). Prospective investors should have regard to the information in the "Use of Proceeds" section of this Prospectus and the Green Finance Framework (as defined in the "Use of Proceeds" section of this Prospectus) regarding such use of proceeds and determine for themselves the relevance of such information for the purpose of any investment in the Notes, together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer, the Guarantor, the Green Structuring Adviser, the Joint Lead Managers, the Trustee nor any of their respective affiliates that the use of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own governing documents or investment portfolio mandates, in particular with regard to any direct or indirect environmental or green impact of any projects or uses that are the subject of, or related to, any Eligible Green Projects.

The impact of the COVID-19 pandemic may reduce, over the short and medium term, the number of suitable projects that the Group can invest in, finance or refinance. For example, the number of new acquisition or refurbishment projects may be reduced or the amount of energy which the Group consumes may be lower which would in turn reduce the expenditure on Eligible Green Projects. This could (but not necessarily will) result in, amongst other things, the Group setting an amount of the net proceeds of the issue of the Notes aside for application in the future, the Group holding an amount of the net proceeds of the issue of the Notes as cash in one or more of its bank accounts and/or the Group using an amount of the net proceeds of the issue of the Notes for financing, refinancing or investing in other projects and/or activities.

No assurance can be given that the Eligible Green Projects will meet investor expectations or requirements regarding such "green" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the so-called "EU Taxonomy"). Each prospective investor should have regard to the factors described in the Green Finance Framework (as defined in the "Use of Proceeds" section of this Prospectus) and the relevant information contained in this Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Notes before deciding to invest.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion (as defined in the "Use of Proceeds" section of this Prospectus) which

is available, along with the Green Finance Framework at [www.segro.com](http://www.segro.com) in connection with the issue of the Notes and in particular with any project to fulfil any environmental, green and/or other criteria. For the avoidance of doubt, the Second Party Opinion is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus. The Second Party Opinion is not, nor should it be deemed to be, a recommendation by the Issuer, the Guarantor, the Joint Lead Managers or any other person to buy, sell or hold any of the Notes or that any Eligible Green Projects fulfil any environmental, green and/or other criteria. The Second Party Opinion is only current as of the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of such Second Party Opinion and/or the information contained therein and/or the provider of such Second Party Opinion for the purpose of any investment in the Notes. Currently, the providers of such Second Party Opinion are not subject to any specific regulatory or other regime or oversight. Investors in the Notes shall have no recourse against the Issuer, the Guarantor, the Joint Lead Managers or the Second Party Opinion Provider for the contents of the Second Party Opinion.

If any Notes are listed or admitted to trading on any dedicated "green", "environmental", or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), or are included in any dedicated "green", "environmental", or other equivalently-labelled index or indices, no representation or assurance is given by the Issuer, the Guarantor, the Green Structuring Adviser, the Joint Lead Managers, the Trustee nor any of their respective affiliates or any other person that such listing or admission, or inclusion in such index or indices, satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and also the criteria for inclusion in such index or indices may vary from one index to another. Nor is any representation or assurance given or made by the Issuer, the Guarantor, the Green Structuring Adviser, the Joint Lead Managers, the Trustee nor any of their respective affiliates or any other person that any such listing or admission to trading, or inclusion in any such index or indices, will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading, or inclusion in such index or indices, will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of the Notes so specified for Eligible Green Projects in, or substantially in, the manner described in the "*Use of Proceeds*" section of this Prospectus and the Green Finance Framework, there can be no assurance that the relevant project or uses the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule or at an acceptable cost and that accordingly such proceeds will be totally or partially disbursed for or towards such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

Any such event or failure by the Issuer will not constitute an Event of Default under the Notes, or give rise to any other claim of a holder of such Notes, as the case may be. Any such event or failure to apply an amount equal to the proceeds of the issue of the Notes, as for or towards any Eligible Green Projects as aforesaid or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or the Notes no longer being listed or admitted to trading on any stock exchange or securities market may have a material adverse effect on the value of the Notes and/or result in

adverse consequences for certain investors with portfolio mandates to invest in securities to be used for or towards a particular purpose. For the avoidance of doubt, it is however specified that payments of principal and interest (as the case may be) on the Notes shall not depend on the performance of the relevant project.

Neither the Green Structuring Adviser, the Joint Lead Managers, the Trustee nor any of their respective affiliates or any other person will verify or monitor the proposed use of proceeds of the Notes.

***Credit ratings may not reflect all risks***

The Notes are expected to be assigned a rating of A by Fitch Ratings Ltd, and may in the future be rated by additional credit rating agencies (including on an unsolicited basis). The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

If the Issuer determines to no longer maintain one or more credit ratings, if any other independent credit rating agency decides to assign a rating to the Notes, or if any credit rating agency withdraws, suspends or downgrades any credit ratings of the Issuer, the Guarantor or the Notes, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places any credit ratings of the Issuer, the Guarantor or the Notes on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), such event could adversely affect the liquidity or market value of the Notes.

In general, investors regulated in the EEA are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. If the status of the rating agency rating the Notes changes for the purpose of the EU CRA Regulation or the UK CRA Regulation, as applicable, EEA or UK regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment. This may result in the relevant investors selling the Notes which may impact the value of the Notes and any secondary market.

***Changes in law***

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely affect the value of any Notes affected by it.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which shall be incorporated by reference in, and form part of, this Prospectus in full, and the page numbers listed alongside each document are included only for the purpose of signposting the reader to key sections and shall not be interpreted as limiting or curtailing the incorporation of each document in full into this Prospectus:

- (i) the auditors' report and audited consolidated annual financial statements of the Guarantor for the financial year ended 31 December 2019 which appear on pages 127 to 204 of the annual report for the year ended 31 December 2019 (the "**2019 Annual Report**"); and

The following information appears on the pages of the 2019 Annual Report as set out below:

### **2019 Annual Report**

Audit Report	Pages 128 to 134
Consolidated Income Statement	Page 135
Consolidated Statement of Comprehensive Income	Page 135
Balance Sheets	Page 136
Consolidated Statement of Changes in Equity	Pages 137 to 138
Consolidated Statement of Cash Flows	Page 139
Notes to Consolidated Financial Statements	Pages 140 to 198

*(which can be accessed at:*

<https://www.segro.com/~media/Files/S/Segro/documents/2020/FY19/2019-annual-report-and-accounts.pdf>)

- (ii) the auditors' report and audited consolidated annual financial statements of the Guarantor for the financial year ended 31 December 2020 which appear on pages 149 to 212 of the annual report for the year ended 31 December 2020 (the "**2020 Annual Report**").

The following information appears on the pages of the 2020 Annual Report as set out below:

### **2020 Annual Report**

Audit Report	Pages 150 to 156
Consolidated Income Statement	Page 157
Consolidated Statement of Comprehensive Income	Page 157
Balance Sheets	Page 158
Consolidated Statement of Changes in Equity	Pages 159 to 160
Consolidated Statement of Cash Flows	Page 161
Notes to Consolidated Financial Statements	Pages 162-211



*(which can be accessed at:*

[https://www.segro.com/~media/Files/S/Segro/2021/SEGRO\\_AR20\\_Web.pdf](https://www.segro.com/~media/Files/S/Segro/2021/SEGRO_AR20_Web.pdf))

- (iii) the results of the Guarantor for the six months ended 30 June 2021 contained in a press release published on 29 July 2021 (the “**2021 Half Year Results**”).

The following information appears on the pages of the 2021 Half Year Results as set out below:

**2021 Half Year Results**

Condensed Group Income Statement	Page 31
Condensed Group Statement of Comprehensive Income	Page 31
Condensed Group Balance Sheet	Page 32
Condensed Group Statement of Changes in Equity	Pages 33 to 34
Condensed Group Cash Flow Statement	Page 35
Notes to the Condensed Financial Statements	Pages 36-56

*(which can be accessed at:*

<https://www.segro.com/~media/Files/S/Segro/2021/HY21/HY21%20Press%20Release%20-%20Final.pdf>)

The Issuer was incorporated on 4 June 2021, and accordingly has not yet prepared financial statements and has not yet been included in the consolidated Group financial statements.

The above documents have been previously published or are published simultaneously with this Prospectus and have been approved by the FCA or filed with it. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Those parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus are available for viewing on the website of the Guarantor ([www.segro.com](http://www.segro.com)) and can be obtained from the respective registered offices of the Issuer and the Guarantor and from the specified office of the Principal Paying Agent for the time being in London.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment, shall be applicable to the Notes in definitive form (if issued).*

The EUR 500,000,000 0.500 per cent. Guaranteed Notes due 22 September 2031 (the “**Notes**”, which term shall, unless the context otherwise requires, include a reference to any further notes issued pursuant to Condition 14) issued by SEGRO Capital S.à r.l., a private limited liability company (*société à responsabilité limitée*), incorporated under the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”), having its registered office at 35-37, avenue de la Liberté, L-1931 Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) (the “**RCS Luxembourg**”) under the number B256102 (the “**Issuer**”) are unconditionally and irrevocably guaranteed by SEGRO plc (the “**Guarantor**”). The Notes were issued by the Issuer on 22 September 2021 (the “**Issue Date**”) and were constituted by a trust deed dated the Issue Date (as modified from time to time, the “**Trust Deed**”) between the Issuer, the Guarantor and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being who are the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the “**Noteholders**”) and (in relation to a Note, a “**Holder**”).

These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed. The Issuer and the Guarantor have, on the Issue Date, entered into a paying agency agreement (the “**Paying Agency Agreement**”) with the Trustee and Citibank, N.A., London Branch as principal paying agent (the “**Principal Paying Agent**” and, together with any other paying agents appointed under the Paying Agency Agreement, the “**Paying Agents**”).

Copies of the Trust Deed and the Paying Agency Agreement are available for inspection during normal business hours at the registered office of the Issuer (being at the date hereof 35-37, avenue de la Liberté, L-1931 Luxembourg), and at the specified offices of the Paying Agents.

The Noteholders and the holders of the interest coupons (the “**Coupons**”) relating to the Notes (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Paying Agency Agreement applicable to them.

Capitalised terms and expressions used in these Conditions but not otherwise defined herein shall, unless the context requires otherwise, have the meanings given to them in the Trust Deed.

In these Conditions, references to “**EUR**” or “**euro**” shall mean the currency introduced at the third stage of economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, and “**cent**” shall mean the sub-unit of such currency.

### 1. Form, Denomination and Title

The Notes are issued in bearer form, serially numbered, in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000, each with Coupons attached on issue. No definitive Notes will be issued with a denomination below EUR 100,000 or above EUR 199,000.

Title to the Notes and the Coupons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it, or its theft or loss and no person shall be liable for so treating the holder.

## **2. Status of the Notes and Guarantee**

### **2.1 Status of the Notes**

The Notes and the Coupons constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such exceptions as may be provided by applicable laws that are mandatory and of general application.

### **2.2 Guarantee**

The Guarantor has unconditionally and irrevocably guaranteed the payment when due of all sums expressed to be payable by the Issuer under the Trust Deed and the Notes (the "Guarantee").

### **2.3 Status of the Guarantee**

The Guarantee constitutes a direct, unsecured and unsubordinated obligation of the Guarantor and ranks and will rank equally with all other existing and future senior, unsecured and unsubordinated obligations of the Guarantor, save for such exceptions as may be provided by applicable legislation and by provisions of law that are mandatory and of general application.

## **3. Covenants**

The Guarantor will procure that so long as any of the Notes remains outstanding (as defined in the Trust Deed):

- (A) the aggregate principal amount (together with any fixed or minimum premium payable on final repayment) for the time being outstanding of all Net Borrowings of the Group (excluding borrowings by the Issuer or the Guarantor from a Subsidiary or by a Subsidiary from the Guarantor or another Subsidiary) shall not exceed a sum equal to 175 per cent. of the Adjusted Capital and Reserves; and
- (B) the aggregate principal amount (together with any fixed or minimum premium payable on final repayment) for the time being outstanding of (a) all Secured Borrowings of the Group and (b) all Borrowings which are not Secured Borrowings of Subsidiaries (excluding borrowings by a Subsidiary from the Guarantor or another Subsidiary) shall not exceed a sum equal to 50 per cent. of the Adjusted Capital and Reserves.

For the purpose of this Condition 3:

**“Adjusted Capital and Reserves”** means the aggregate for the time being of:

- (A) the amount paid up or credited as paid up on the issued share capital of the Guarantor (including an issue or proposed issue of share capital for cash which has been unconditionally underwritten or which subsequently becomes unconditionally underwritten (in which case the relevant issued share capital shall be included within this definition from the time at which the proposed issue becomes unconditionally underwritten) for payment by the underwriters within six months;
- (B) the aggregate amount of any convertible capital bonds to the extent that they are, with an unqualified audit report in respect thereof, included otherwise than as indebtedness; and
- (C) the amount standing to the credit of the consolidated capital and revenue reserves of the Guarantor and the Subsidiaries (including share premium account, capital redemption reserve and profit and loss account),

all as shown in the latest consolidated audited balance sheet of the Guarantor and the Subsidiaries or in the notes thereto, but after:

- (i) making any adjustments as may be necessary to reflect any variation in (x) the amount of such paid up share capital of the Guarantor or (y) capital and revenue reserves or (z) the aggregate amount of convertible capital bonds since the date to which the said consolidated balance sheet has been made up or which would result from any transaction contemplated when the adjusted capital and reserves is being calculated or from any transaction to be carried out contemporaneously therewith;
- (ii) adjusting to take account of any variation in interest in Subsidiaries, any companies which, since the date on which the said consolidated balance sheet has been made up, have ceased to be or have become Subsidiaries and any companies which will become Subsidiaries as a result of the transaction in relation to which the calculation falls to be made;
- (iii) deducting any distributions (other than dividends paid out of profits earned since such date) in cash or specie made to persons other than the Guarantor or any Subsidiary since that date and not provided for in such balance sheet;
- (iv) excluding (to the extent otherwise included) all amounts set aside for taxation whether in respect of deferred taxation or otherwise;
- (v) deducting any amount attributable to goodwill (other than goodwill arising only on consolidation) or other intangible assets;
- (vi) deducting any debit balance on profit and loss account;
- (vii) excluding any amounts attributable to minority interests in Subsidiaries;

(viii) excluding therefrom any share capital paid up by way of capitalisation of, or reserves derived from, the whole or any part of the amount of any writing up after 20 September 2021 (or in the case of a body corporate thereafter becoming a Subsidiary (an “**after-acquired Subsidiary**”) after the date of its becoming a Subsidiary) of the book value of any assets of the Guarantor or any Subsidiary, except to the extent of:

- (1) any writing up of the book values of freehold and leasehold properties of the Guarantor or of any Subsidiary arising from a revaluation of all the freehold and leasehold properties of the Guarantor and the Subsidiaries or such part thereof as the Trustee may in its absolute discretion agree, such revaluation being made and such writing up being effected on bases respectively approved by the Trustee who may for this purpose require a valuation to be made by a professional valuer approved by the Trustee and to be not earlier than 2 years after the last previous such valuation (if any); and
- (2) any writing up of the book values of any fixed assets of an after-acquired Subsidiary by an amount not exceeding the excess of the purchase consideration given by the Guarantor or by another Subsidiary for its investment in such after-acquired Subsidiary over the amount of the net assets of such after-acquired Subsidiary attributable to the investment so acquired as appearing in its books at the date of acquisition,

and so that a transfer of any asset by the Guarantor or the Issuer to a Subsidiary, or by a Subsidiary to the Guarantor or another Subsidiary, for a consideration in excess of the book value thereof, shall be deemed to be a writing up of the book value of such asset;

- (ix) deducting (if not otherwise excluded) such amount as the Auditors shall consider appropriate in respect of any contingent taxation liabilities on the net amount by which the fixed assets of the Guarantor and the Subsidiaries shall have been written up as a result of any revaluation, and for this purpose a transfer of any asset by the Guarantor or the Issuer to a Subsidiary, or by a Subsidiary to the Guarantor or another Subsidiary, for a consideration in excess of the book value thereof shall be deemed to be a writing up of the book value of such asset as a result of a revaluation; and
- (x) making such other adjustments, if any, as the Auditors think appropriate.

“**Borrowings**” means and includes at any time:

- (A) all money borrowed (with or without security) by any member of the Group;
- (B) the nominal amount of the issued share capital of any relevant Subsidiary of the Guarantor which is not beneficially owned by the Guarantor or another Subsidiary

of the Guarantor which is wholly-owned and which is treated in the latest audited balance sheet of the relevant company as indebtedness or which, if it does not appear in such latest audited balance sheet or if there is no such balance sheet, the Auditors (as defined in the Trust Deed) certify would have been so treated had it so appeared;

- (C) the maximum amount in respect of financial indebtedness for the time being outstanding for which any member of the Group has given security or is liable as guarantor and indemnifier;
- (D) the principal amount raised by any member of the Group by acceptances or under any acceptance credit agreed on its behalf by a bank or accepting house other than in relation to the purchase of goods or services in the ordinary course of business and which have been outstanding for 180 days or less;
- (E) the aggregate amount owing by any member of the Group under a Finance Lease;
- (F) the principal amount of any debenture (as defined by section 738 of the Companies Act 2006) of any member of the Group; provided, however, that, in the case of a debenture which constitutes a deep discount security for the purpose of section 57 of, and Schedule 4 to, the Income and Corporation Taxes Act 1988 and contains provisions for prepayment or acceleration, the principal amount shall be deemed at any relevant time to be the highest amount which would if such debenture were then to be repaid in accordance with any such provision for prepayment or acceleration, be repayable in respect of the principal amount thereof;
- (G) amounts (which are not expressly excluded from the definition of Borrowings under any other paragraph of this definition) which would not otherwise fall to be treated as Borrowings of any member of the Group under any other paragraph of this definition if they would be so treated (in accordance with United Kingdom generally accepted accounting principles) in a consolidated balance sheet of the Group; and
- (H) the aggregate amount of any convertible capital bonds of any member of the Group to the extent that they are treated as indebtedness in the latest published audited consolidated balance sheet of the Guarantor.

**“Finance Lease”** means any lease or hire purchase agreement, the liability under which would, in accordance with GAAP in force as at the date of this agreement, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with the GAAP in force prior to January 2019, have been treated as an operating lease);

**“Group”** means the Guarantor and its Subsidiaries (including the Issuer);

**“Investments”** means at any time the aggregate of:

- (A) cash at bank and in hand;
- (B) amounts represented by United Kingdom certificates of tax deposit;

- (C) deposits with building societies;
- (D) deposits (including, for the avoidance of doubt, certificates of deposit) and commercial paper with a rating from Standard & Poor's Corporation of at least A-1 or the equivalent thereof or from Moody's Investors Services, Inc. of at least P-1 or the equivalent thereof, in each case for a term not exceeding 12 months;
- (E) the lower of the redemption price and market value of debt securities issued by the Government of the United Kingdom or United States Treasury Bonds in each case with a maturity of no greater than 365 days after the date of acquisition; and
- (F) any investment in liquidity funds which have a credit rating of at least AAA from Standard & Poor's Corporation or an equivalent rating from any other independent credit rating agency;

**"Net Borrowings"** means Borrowings less Investments;

**"Secured Borrowings"** means Borrowings on the security of any mortgage or charge or other security over any assets of a member of the Group; and

**"Subsidiary"** means a subsidiary as defined in section 1159 of the Companies Act 2006.

#### 4. Interest

The Notes bear interest from and including the Issue Date at 0.500 per cent. per annum (the **"Rate of Interest"**), payable annually in arrear on 22 September each year (each an **"Interest Payment Date"**), the first such Interest Payment Date being on 22 September 2022. Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue as provided in the Trust Deed (before or after any judgment) at the Rate of Interest to but excluding the date on which payment in full of the principal thereof is made.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an **"Interest Period"**.

Interest in respect of any Note shall be calculated per EUR 1,000 in principal amount of the Notes (the **"Calculation Amount"**). The amount of interest payable per Calculation Amount for any Interest Period shall be calculated by applying the Rate of Interest to the Calculation Amount and multiplying such sum by the Day Count Fraction and rounding the resultant figure to the nearest cent, with half a cent being rounded upwards.

In these Conditions:

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest:

- (A) if the Accrual Period is equal to or shorter than the Determination Period during which it ends, the number of days in the Accrual Period divided by the number of days in such Determination Period; and
- (B) if the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (i) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the number of days in such Determination Period; and
  - (ii) the number of days in such Accrual Period falling in the next Determination Period divided by the number of days in such Determination Period,

where:

**“Accrual Period”** means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last); and

**“Determination Period”** means the period from and including 22 September in any year to but excluding the next 22 September.

## 5. Redemption and Purchase

### 5.1 Final redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed by the Issuer at 100 per cent. of their principal amount outstanding together with accrued interest on 22 September 2031 (the **“Maturity Date”**). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.

### 5.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable) at 100 per cent. of their aggregate principal amount outstanding, together with interest accrued to the date fixed for redemption but otherwise without premium or penalty, if:

- (A) immediately prior to the giving of such notice the Issuer has or will on the next Interest Payment Date become obliged to pay additional amounts as provided or referred to in Condition 7, or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself, would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, or clarification of the laws, treaties, protocols, rulings or regulations of a Relevant Jurisdiction (as defined in Condition 7), or any change in the published application or official interpretation of such laws, treaties, protocols, rulings or regulations and including the decision of any court governmental agency



or tribunal, which change or amendment is announced, enacted or becomes effective on or after the Issue Date; and

- (B) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor, would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer or, as the case may be, the Guarantor, shall deliver to the Trustee:

- (i) a certificate executed by two authorised signatories of the Issuer or, as the case may be, two authorised signatories of the Guarantor, (the “**Officers’ Certificate**”) stating that the requirements or circumstances referred to above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, the Guarantor, taking reasonable measures to avoid it; and
- (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor, has or will become obliged to pay such additional amounts as a result of such change or amendment or clarification.

and the Trustee shall be entitled without further investigation or enquiry to accept such Officers’ Certificate and/or such opinion as sufficient evidence of the satisfaction of the conditions precedent set out in sub-paragraphs (A) and (B) above, in which event they shall be conclusive and binding on the Noteholders and the Couponholders.

All Notes in respect of which any such notice of redemption is given under and in accordance with this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

### **5.3 Redemption at the option of the Issuer**

The Issuer may, at any time, on giving not less than 15 nor more than 30 days’ notice to Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (each an “**Optional Redemption Date**”)), redeem the Notes, in whole or in part, at a redemption price per Note equal to:

- (a) in respect of an Optional Redemption Date falling at any time after the date falling three calendar months prior to the Maturity Date, 100 per cent. of their aggregate principal amount outstanding together with interest accrued to but excluding the Optional Redemption Date; and
- (b) at any other time, the higher of:
  - (i) 100 per cent. of their aggregate principal amount outstanding; and

- (ii) the sum of the present values of the aggregate principal amount outstanding of the Notes to be redeemed and the aggregate amount of scheduled payments of interest on such Notes for the remaining term of the Notes from and including the Optional Redemption Date (excluding any interest accrued to the Optional Redemption Date), such present values to be calculated by discounting such amounts to the Optional Redemption Date on an annual basis at the Reference Bund Rate, plus the Redemption Margin as determined by the Determination Agent,

together in each case with interest accrued to but excluding the Optional Redemption Date.

Any notice of redemption given under this Condition 5.3 will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 5.2.

In the case of a partial redemption of Notes, the Notes to be redeemed (the “**Redeemed Notes**”) will be selected individually by lot, not more than 30 days prior to the date fixed for redemption. A list of serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior the date fixed for redemption. Each notice will specify the date fixed for redemption and the aggregate principal amount of the Notes to be redeemed, the serial numbers of the Notes called for redemption, the serial numbers of Notes previously called for redemption and not presented for payment and the aggregate principal amount of the Notes which will be outstanding after the partial redemption.

In these Conditions:

“**Calculation Date**” means the date which is the second TARGET Business Day prior to the Optional Redemption Date;

“**Determination Agent**” means an investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee;

“**Redemption Margin**” means 0.15 per cent.;

“**Reference Bund**” means the DBR 0.000 per cent. due 15/08/2031 (ISIN: DE0001102564) or if such bond is no longer outstanding, a government security selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

“**Reference Bund Dealer**” means each of five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

**“Reference Bund Dealer Quotations”** means, with respect to each Reference Bund Dealer and any Optional Redemption Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bund (expressed in each case as a percentage of its nominal amount) at midday on the Calculation Date quoted in writing to the Determination Agent by such Reference Bund Dealer;

**“Reference Bund Price”** means, with respect to any Optional Redemption Date, (a) the arithmetic average of the Reference Bund Dealer Quotations for such Optional Redemption Date, after excluding the highest and lowest of such Reference Bund Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Bund Dealer Quotations, the arithmetic average of all such quotations;

**“Reference Bund Rate”** means, with respect to any Optional Redemption Date, the annual yield to maturity or interpolated yield to maturity on the relevant day-count basis of the Reference Bund, assuming a price for the Reference Bund (expressed as a percentage of its nominal amount) equal to the Reference Bund Price for such Optional Redemption Date;

**“TARGET Business Day”** means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and Luxembourg City and the TARGET System is operating; and

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

#### **5.4 Redemption at the option of the Holders**

If at any time while any of the Notes remains outstanding a Restructuring Event is deemed to occur and within the Restructuring Period:

- (A) (if at the time that Restructuring Event is deemed to have occurred there are Rated Securities or the Guarantor has a corporate Rating) a Rating Downgrade in respect of that Restructuring Event occurs or is deemed to occur and such Rating Downgrade has not been cured prior to the expiry of the Restructuring Period; or
- (B) (if at such time there are no Rated Securities and the Guarantor does not have a corporate Rating) a Negative Rating Event in respect of that Restructuring Event is deemed to occur,

(such Restructuring Event and, where applicable, Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Restructuring Period and, in the case of a Rating Downgrade, not having been cured prior to the expiry of the Restructuring Period, together called a Put Event) the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives any of the notices referred to in Condition 5.2 or 5.3 in respect of the Note) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (as defined below) at its principal amount (the Optional Redemption Amount) together with (or, where purchased, together with an amount equal to) interest accrued to but excluding the Optional Redemption Date.

Promptly upon the Issuer or, as the case may be, the Guarantor, becoming aware that a Put Event has occurred, the Issuer or, as the case may be, the Guarantor, shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders the Trustee shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 15 and to the Paying Agents specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition.

To exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition, the holder of the Note must deliver such Note, on any business day (in the place of the specified office of the Paying Agent at which the Note is delivered) falling within the period (the "**Put Period**") of 30 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Notice**") and in which the holder may specify a bank account to which payment is to be made under this Condition. The Notes should be delivered together with all Coupons appertaining thereto maturing after the date (the "**Optional Redemption Date**") seven days after the expiry of the Put Period, failing which the face amount of any missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the face amount of such missing unmatured Coupons which the sum of principal so paid bears to the total principal amount due) shall be deducted from the sum due for payment. Each amount of principal so deducted shall be paid in the manner mentioned in Condition 6 against surrender (or, in the case of part payment only, endorsement) of the relevant missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9) or, if later, five years from the date on which the Coupon would have become due, but not thereafter.

The Paying Agent to which such Note, Put Notice and Coupons (if any) are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specifies a bank account in the Put Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and, in every other case, on or after the Optional Redemption Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. For the purposes of these Conditions and the Trust Deed, receipts issued pursuant to this Condition shall be treated as if they were Notes. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Notes on the Optional Redemption Date unless previously redeemed or purchased. Any Put Notice, once given, shall be irrevocable except where prior to the Optional Redemption Date an Event of Default shall have occurred and the Trustee shall have accelerated the Notes, in which event such holder, at its option, at any time prior to the Optional Redemption Date, may elect by notice to the Issuer to withdraw the Put Notice and instead to treat its Notes as being forthwith due and payable pursuant to Condition 8.

If 90 per cent. or more in principal amount of the Notes (including for the avoidance of doubt any further notes issued pursuant to Condition 14) then outstanding have been redeemed

or purchased pursuant to this Condition 5.4, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days' after the Optional Redemption Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by any of Moody's, Fitch or S&P are changed from those which are described in the definition of "Rating Downgrade" below, or if a rating is procured from a Substitute Rating Agency, the Guarantor shall determine the rating designations of Moody's, Fitch or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's, Fitch or S&P and this Condition 5.4 shall be construed accordingly.

For the purposes of this Condition:

A "**Negative Rating Event**" shall be deemed to have occurred if (i) the Guarantor does not on or before the 21st day after the relevant Restructuring Event, seek, and thereafter throughout the Restructuring Period use all reasonable endeavours to obtain, a Rating of the Notes or a corporate Rating or at the Guarantor's sole discretion a Rating of any Relevant Debt or (ii) if it does so seek and use such endeavours, it has not at the expiry of the Restructuring Period and as a result of such Restructuring Event obtained such a Rating of at least investment grade (BBB- (in the case of S&P), Baa3 (in the case of Moody's) or BBB- (in the case of Fitch), or their respective equivalents for the time being), provided that a Negative Rating Event shall be deemed not to have occurred in respect of a particular Restructuring Event if (i) two authorised signatories of the Issuer certify to the Trustee that they have used all reasonable endeavours to obtain an investment grade Rating of the Notes, the Guarantor or any Relevant Debt within the Restructuring Period and the failure so to obtain such a Rating is, in their opinion, unconnected with the Restructuring Event; and (ii) the Rating Agency declining to assign a Rating of at least investment grade (as defined above) does not announce or publicly confirm or, having been so requested by the Guarantor, inform the Guarantor or the Trustee in writing that its declining to assign a Rating of at least investment grade was the result, in whole or in part, of the applicable Restructuring Event (whether or not the Restructuring Event shall have occurred at the time such investment grade rating is declined);

"**Rated Securities**" means the Notes so long as they shall have an effective Rating and otherwise any Relevant Debt which has a Rating;

"**Rating**" means a rating provided by a Rating Agency at the invitation of the Guarantor.

"**Rating Agency**" means Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. and its successors ("**S&P**") or Moody's Investors Service, Inc. and its successors ("**Moody's**") or Fitch Ratings Ltd and its successors ("**Fitch**") or any other rating agency of equivalent standing specified by the Guarantor from time to time in writing to the Trustee (a "**Substitute Rating Agency**");

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Restructuring Event if the then current Rating of the Notes or any Relevant Debt or corporate Rating of

the Guarantor (i) is withdrawn and is not within the Restructuring Period replaced by a Rating of the relevant Rating Agency or of another Rating Agency at least equivalent to that which was current immediately before the occurrence of the Restructuring Event or (ii) is reduced from an investment grade rating (BBB- (in the case of S&P), Baa3 (in the case of Moody's) or BBB- (in the case of Fitch) (or their respective equivalents for the time being) or better) to a non-investment grade rating (BB+ (in the case of S&P), Ba1 (in the case of Moody's) or BB+ (in the case of Fitch) (or their respective equivalents for the time being) or worse) (a **"Non-Investment Grade Rating"** or (iii) (if the relevant Rating Agency shall have already given a Non-Investment Grade Rating for the Rated Securities, or if there are no Rated Securities and the Guarantor has a corporate Rating which is a Non-Investment Grade Rating) is lowered one full rating category (from BB+ to BB or such similar lowering or equivalent ratings); provided that a Rating Downgrade otherwise arising by virtue of a particular reduction or withdrawal in Rating shall be deemed not to have occurred in respect of a particular Restructuring Event if (A) two authorised signatories of the Issuer certify to the Trustee that the withdrawal or reduction in the Rating is, in their opinion, unconnected with the Restructuring Event and (B) the Rating Agency making the withdrawal or reduction or lowering in Rating to which this definition would otherwise apply does not announce or publicly confirm or, having been so requested by the Guarantor, inform the Guarantor or the Trustee in writing that the withdrawal, reduction or lowering was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the applicable Restructuring Event shall have occurred at the time of the Rating Downgrade);

**"Relevant Announcement Date"** means the earlier of (i) the date of the first public announcement of the relevant Restructuring Event and (ii) the date of the earliest Relevant Potential Restructuring Event Announcement (if any);

**"Relevant Debt"** means any unsecured and unsubordinated debt securities of the Guarantor (or any Subsidiary of the Guarantor which is guaranteed on an unsecured and unsubordinated basis by the Guarantor) having an initial maturity of five years or more;

**"Relevant Potential Restructuring Event Announcement"** means any public announcement or statement by or on behalf of the Guarantor, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Restructuring Event where within 180 days' following the date of such announcement or statement, a Restructuring Event occurs;

A **"Restructuring Event"** shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Guarantor) that any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Guarantor, or any persons acting on behalf of any such persons(s), at any time is/are or become(s) interested (within the meaning of Part 22 of the Companies Act 2006) in (i) more than 50 per cent. of the issued or allotted ordinary share capital of the Guarantor or (ii) such number of shares in the capital of the Guarantor carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Guarantor; and

**“Restructuring Period”** means the period commencing on the Relevant Announcement Date and ending 180 days after the public announcement of the Restructuring Event.

The Trust Deed provides that the Trustee is under no obligation to ascertain whether a Restructuring Event, a Negative Rating Event, a Rating Downgrade or any event which could lead to the occurrence of or could constitute a Restructuring Event has occurred and until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Restructuring Event, Negative Rating Event, Rating Downgrade or other such event has occurred.

## **5.5 Purchase**

The Issuer, the Guarantor and any of their respective Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. The Notes so purchased, while held on or behalf of the Issuer, the Guarantor or any of their respective Subsidiaries, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of, *inter alia*, calculating quorums at meetings of the Noteholders or for the purposes of Conditions 8 or 11.

## **5.6 Cancellation**

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Principal Paying Agent and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes and Coupons shall be discharged.

## **6. Payments**

### **6.1 Method of Payment**

Payments of principal and interest or, in the case of Condition 5.5, if applicable, purchase price in respect of any of the Notes, will be made against presentation and surrender (or, in the case of part payment only, endorsement) of Notes or in the case of payments of interest due on an Interest Payment Date against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, at the specified office of any of the Paying Agents. Such payments will be made, at the option of the payee, by a euro cheque drawn on, or by transfer to a euro account maintained by the payee with, a bank.

Each Note shall be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only,

endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of the relevant Note (whether or not the relevant Coupon would otherwise have become void pursuant to Condition 9). If any Note is presented for redemption without all unmatured Coupons appertaining to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

## **6.2 Payments subject to fiscal laws**

All payments in respect of the Notes are subject in all cases to: (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto and the Issuer will not be liable to Noteholders for any taxes or duties of whatever nature imposed or levied by such laws, agreements or regulations.

## **6.3 Payments on business days**

A Note may only be presented for payment on a day which is a business day. If the due date for any payment of principal, premium (if any) or interest under this Condition 6 is not a business day, the Holder of a Note shall not be entitled to payment of the amount due until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

## **6.4 Paying Agents**

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right to vary or terminate the appointment of all or any of the Paying Agents at any time (with the written approval of the Trustee) and appoint additional or other payment agents, provided that the Issuer will at all times maintain (a) a Principal Paying Agent, (b) a Paying Agent in the UK or a jurisdiction in Europe other than the jurisdiction in which the Issuer is incorporated, and (c) such other agents as may be required by any stock exchange on which the Notes may be listed. Notice of any such change will be provided to Noteholders as described in Condition 15.

In acting under the Paying Agency Agreement and in connection with the Notes, the Paying Agents act solely as agents of the Issuer and the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

In these Conditions, “business day” means any day (other than a Saturday or a Sunday) on which banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

- (A) (in the case of this Condition 6) in the place where such Note or Coupon is presented for payment; or



(B) in any other case, in Luxembourg City and London.

## 7. Taxation

### 7.1 Payment without withholding

All payments of principal, premium (if any) and interest or, in the case of Condition 5.5, if applicable, purchase price in respect of any of the Notes and the Coupons by or on behalf of the Issuer or by the Guarantor under the Guarantee shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature (“**Taxes**”) imposed, levied, collected, withheld or assessed by or within a Relevant Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amount so as to result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (A) presented for payment by or on behalf of a Holder which is (i) liable to Taxes in respect of such Note or Coupon or the Guarantee by reason of it (or its beneficial owners) having some connection with a Relevant Jurisdiction other than the mere holding of such Note or Coupon or the benefit of the Guarantee or (ii) able to avoid such deduction or withholding by making a declaration of non-residence or other similar claim; or
- (B) where (in the case of a payment of principal, premium (if any) or interest on redemption or at maturity) such Note or Coupon is surrendered for payment more than 30 days after the Relevant Date (as defined in Condition 7.2 below) except to the extent that the relevant holder would have been entitled to such additional amounts if it had surrendered the relevant Note or Coupon on the last day of such period of 30 days; or
- (C) any combination of the above.

In these Conditions, a “**Relevant Jurisdiction**” means, in relation to the Issuer, the Grand Duchy of Luxembourg or any political subdivision or any authority thereof or therein having power to tax and, in relation to the Guarantor, the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or in relation to either the Issuer or the Guarantor, any other jurisdiction or any political subdivision or any authority thereof having power to tax if payments made by the Issuer or Guarantor (as the case may be) of principal, premium or interest on the Notes becomes generally subject to the laws or regulations of that jurisdiction, subdivision or authority relating to tax.

### 7.2 Relevant Date

In these Conditions, “**Relevant Date**” means whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received for the account of the Principal Paying Agent or the Trustee on or prior to such

due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders by the Issuer in accordance with Condition 15.

### 7.3 Additional amounts

Any reference in these Conditions to principal, premium or interest shall be deemed to include any additional amounts in respect of principal, premium or interest (as the case may be) which may be payable under this Condition 7 or any undertaking given in addition to or in substitution for it under the Trust Deed and includes any purchase price under Condition 5.5.

## 8. Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth of the aggregate principal amount of the Notes then outstanding, or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice in writing to the Issuer and the Guarantor that the Notes are, and the Notes shall thereupon immediately become, due and repayable at their principal amount outstanding together with accrued interest (if any) as provided in the Trust Deed if any of the following events (each, together with the certification by the Trustee as hereinafter mentioned (where applicable), an “**Event of Default**”) shall occur and provided that, in the case of each of the events described in paragraphs (C) to (H) only, the Trustee has certified in writing to the Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Holders:

- (A) if default is made in the payment of any principal or premium or, in the case of Condition 5.5, if applicable, purchase price in respect of any of the Notes and such default continues for a period of seven days or more;
- (B) if default is made in the payment of any interest due on the Notes or any of them and such default continues for a period of 14 days or more;
- (C) if the Issuer or the Guarantor, as the case may be, fails to perform or observe any of its other obligations under the Notes or the Trust Deed and (except where the Trustee considers such failure to be incapable of remedy when no such continuation and notice as is hereinafter mentioned will be required) such failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied;
- (D) if any loan or other indebtedness for borrowed money of the Issuer, the Guarantor or any Principal Subsidiary in an aggregate principal amount of not less than £20,000,000 (or its equivalent in any other currency) becomes due and repayable prematurely by reason of an event of default (howsoever described) in relation thereto or the Issuer, the Guarantor or any Principal Subsidiary fails to make any payment of an amount of not less than £20,000,000 (or its equivalent in any other currency) in respect thereof on the due date for such payment as extended by any applicable grace period (as provided for in the document evidencing such indebtedness) or if any guarantee or indemnity given by the Issuer, the Guarantor

or any Principal Subsidiary in respect of any loan or other indebtedness for borrowed money in an amount of not less than £20,000,000 (or its equivalent in any other currency) is not honoured when due and called upon or if the security for any such first-mentioned loan or other indebtedness for borrowed money or any such guarantee or indemnity becomes enforceable and steps are taken to enforce the same; or

- (E) if any order shall be made by any competent court or resolution passed for the winding up or dissolution of the Issuer or the Guarantor, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Trustee or by an Extraordinary Resolution; or
- (F) if any order shall be made by any competent court or a resolution passed for the winding up, dissolution or administration of a Principal Subsidiary, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement (not involving or arising out of the insolvency of such Principal Subsidiary) under which all the assets of the Principal Subsidiary are transferred to the Guarantor or any of the Subsidiaries or the terms of which have been approved by the Trustee; or
- (G) if the Issuer, the Guarantor or any Principal Subsidiary shall cease to carry on the whole or a substantial part of its business, save in the case of a Principal Subsidiary for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangements (not involving or arising out of the insolvency of such Principal Subsidiary) under which all the assets of the Principal Subsidiary are transferred to the Guarantor or any of the Subsidiaries or the terms of which have been approved by the Trustee or by an Extraordinary Resolution, or if the Issuer, the Guarantor or any Principal Subsidiary shall suspend payment of its debts generally or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by any competent court, or shall enter into any composition or other similar arrangement with its creditors generally;
- (H) if an administrative or other receiver, or an administrator or other similar official, shall be appointed in relation to the Issuer, the Guarantor or any Principal Subsidiary or in relation to the whole or a substantial part of the assets of any of them or a distress, execution or other process shall be levied or enforced upon or sued out against, or an encumbrancer shall take possession of, the whole or a substantial part of the assets of any of them and in any of the foregoing cases it or he shall not be discharged within 14 days;
- (I) the Issuer ceases to be a Subsidiary wholly owned and controlled, directly or indirectly, by the Guarantor; or
- (J) the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect.

For the purposes of this Condition, a “**Principal Subsidiary**” means a Subsidiary of the Guarantor, the book value of whose tangible assets (as shown by the then most recent audited balance sheet of such Subsidiary and attributable to the Guarantor) constitutes five

per cent. or more of the book value of the tangible assets of the Guarantor and the Subsidiaries (as shown by the then most recent audited consolidated balance sheet of the Guarantor and the Subsidiaries) provided that, if a Subsidiary itself has subsidiaries and produces in respect of any year an audited consolidated balance sheet of such Subsidiary and its subsidiaries, the reference above to tangible assets of such Subsidiary shall be construed as a reference to tangible assets of such Subsidiary and its consolidated subsidiaries and the reference to the then most recent audited balance sheet of such Subsidiary shall be construed as a reference to the then most recent audited consolidated balance sheet of such Subsidiary and its consolidated subsidiaries (all as more particularly described in the Trust Deed).

A report by two authorised signatories of the Issuer or the Guarantor (as the case may be) whether or not addressed to the Trustee that in their opinion a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

In these Conditions, where it relates to the Issuer or to a company incorporated under the laws of Luxembourg, a reference to:

- (a) a **winding-up, administration or dissolution** includes, without limitation, bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de la faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), general settlement with creditors, reorganisation or similar laws affecting the rights of creditors generally;
- (b) a **receiver, administrative receiver, administrator** or the like includes, without limitation, a *juge délégué, commissaire, juge-commissaire, liquidateur* or *curateur*;
- (c) a **security interest** includes any *hypothèque, nantissement, gage, privilège, sûreté réelle, droit de rétention* and any type of real security or agreement or arrangement having a similar effect and any transfer of title by way of security; and
- (d) a **person being unable to pay its debts** includes that person being in a state of cessation of payments (*cessation de paiements*).

## 9. Prescription

Claims for the payment of principal, premium (if any) and interest in respect of any Note and Coupon shall be prescribed and become void unless made within 10 years (for claims for the payment of principal or premium (if any)) or five years (for claims for the payment of interest) of the appropriate Relevant Date.

## 10. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority

regulations, at the specified office of the Principal Paying Agent or such other Paying Agent as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## **11. Meetings of Noteholders, Modification and Waiver and Substitution**

### **11.1 Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of Noteholders (which need not be in a physical location and instead may be held via audio or video conference call) to consider any matter affecting their interests, including any modification of, or any arrangement in respect of, the Notes or the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented except that at any meeting, the business of which includes the modification of certain of these Terms and Conditions and certain provisions of the Trust Deed (as more particularly by described in the Trust Deed), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than three-quarters, or at any adjourned such meeting not less than a clear majority, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour, and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than three-quarters in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

### **11.2 Modification and Waiver**

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of the Notes, the Trust Deed or the Paying Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or (except as mentioned in the Trust Deed) in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders. The Trustee may also waive or authorise or agree to the waiving or authorising of any breach or proposed breach of any of the provisions of the Notes or the Trust Deed or determine that any Event of Default or Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as

such, which in any such case is the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, waiver, authorisation or determination shall be subject to such conditions as the Trustee may determine and shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be promptly notified to the Noteholders by the Issuer in accordance with Condition 15.

### **11.3 Substitution**

The Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Noteholders or the Couponholders: (i) to the substitution of any Subsidiary of the Guarantor in place of (a) the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed, the Notes and the Coupons, or (b) the Guarantor, or any previous substituted company, as guarantor of all sums expressed to be payable under the Trust Deed and the Notes provided, in either case, that such a substitution is not in the opinion of the Trustee materially prejudicial to the interests of the Noteholders and subject to certain other conditions set out in the Trust Deed being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes, the Guarantee and/or the Trust Deed provided that such change is not in the opinion of the Trustee materially prejudicial to the interests of the Noteholders.

### **11.4 Entitlement of the Trustee**

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

## **12. Enforcement**

At any time, the Trustee may, at its discretion and without further notice, institute such proceedings or take such steps or actions against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed and/or the Notes and/or the Coupons, but it need not take any such proceedings and nor shall the Trustee be bound to take, or omit to take any action, step or action (including instituting such proceedings, steps or actions) under or pursuant to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one fifth in principal amount of the Notes outstanding and (b) it shall have been indemnified

and/or secured and/or prefunded to its satisfaction. No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a period of 120 days and such failure is continuing.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

### **13. Indemnification and Removal of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability including provisions relieving it from taking proceedings or any other steps or actions unless indemnified and/or secured and/or prefunded to its satisfaction, and to be paid its costs and expenses in priority to any claims of Noteholders. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security. In addition, the Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee's responsibilities are solely those of trustee for the Noteholders on the terms of the Trust Deed. Accordingly, the Trustee makes no representations and assumes no responsibility for the validity or enforceability of the Notes or for the performance by the Issuer or the Guarantor of their respective obligations under or in respect of the Notes and the Trust Deed. The Trustee is entitled to assume that each of the Issuer and the Guarantor is performing all of its obligations pursuant to the Notes and the Trust Deed (and shall have no liability for doing so) until it has actual knowledge or express notice in writing to the contrary.

The Trustee may rely without liability to Noteholders on any certificate or report prepared by Auditors, accountants or any other expert pursuant to the Trust Deed, whether or not addressed to the Trustee and whether or not the Auditors', accountants' or expert's liability in respect thereof is limited by a monetary cap or otherwise. The Trust Deed provides that the Noteholders shall together have the power, exercisable by Extraordinary Resolution, to remove the Trustee (or any successor trustee or additional trustees) provided that the removal of the Trustee or any other trustee shall not become effective unless there remains a trustee in office after such removal.

#### **14. Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or Couponholders, create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest, the date of issue and the amount of principal) and so that such further issue shall be consolidated and form a single series with the outstanding Notes.

Any such other securities shall be constituted by a deed supplemental to the Trust Deed and will benefit from a guarantee substantially in the form of the Guarantee given in respect of the Notes. Application will be made by the Issuer for such further securities to be listed and admitted to trading on the stock exchange on which the Notes are from time to time listed or quoted.

#### **15. Notices**

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that publication will normally be made in the Financial Times. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

#### **16. Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Guarantor in respect of the Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes or the Guarantee, the Issuer failing whom the Guarantor, shall indemnify each recipient, on the written demand of such recipient addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such recipient may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.



This indemnity constitutes a separate and independent obligation of the Issuer or, as the case may be, the Guarantor and shall give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any Noteholder or any other person and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under the Trust Deed and/or the Notes or any other judgment or order.

**17. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent, if any, that the Notes expressly provide for such Act to apply to any of their terms.

**18. Governing Law**

The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons are governed by, and shall be construed in accordance with, English law. For the avoidance of doubt, the provisions of articles 470-1 to 470-19 of the Luxembourg law on commercial companies of 10 August 1915, as amended, are excluded.

**19. Submission to Jurisdiction**

The Issuer and the Guarantor each agree, for the benefit of the Trustee and the Noteholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer and the Guarantor each waive any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders and the Couponholders may take any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Trust Deed, the Notes or the Coupons (including any Proceedings relating to non-contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons) against the Issuer or the Guarantor in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

**20. Appointment of Process Agent**

The Issuer appoints SEGRO plc at its registered office at 1 New Burlington Place, London, England, W1S 2HR (Attention: General Counsel) as its agent for service of process, and undertakes that, in the event of SEGRO plc ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve Proceedings in any other manner permitted by law.

## OVERVIEW OF THE NOTES WHILE IN GLOBAL FORM

The Notes will be represented initially by a single temporary global Note in bearer form, without interest coupons (the “**Temporary Global Note**”) which will be issued in new global note (“**NGN**”) form. The Temporary Global Note will be deposited with a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) on or about the Issue Date. The Temporary Global Note will be exchangeable on or after 1 November 2021 for a permanent global Note in bearer form, without interest coupons, (the “**Permanent Global Note**”) and, together with the Temporary Global Note, the “**Global Notes**”) upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. The Global Notes will be exchangeable for definitive notes with Coupons attached only in the limited circumstances specified therein (the “**Definitive Notes**”).

Notes and Coupons will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code.”.

Each Accountholder (as defined below) must look solely to the relevant Clearing System (as defined below) (as the case may be) for his share of each payment made by the Issuer or the Guarantor to the bearer of such Global Note and in relation to certain other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of the relevant Clearing System. Such persons shall have no claim directly against the Issuer or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to or to the order of the bearer of such Global Note in respect of each amount so paid.

The Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions.

The Notes are intended to be held in a manner which will allow for Eurosystem eligibility.

Depositing the Temporary Global Note with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

### 1. Nominal Amount and Exchange

The nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear and/or Clearstream, Luxembourg or any alternative clearing system approved by the Trustee (the “**Alternative Clearing System**”) (each a “**relevant Clearing System**”). The records of each relevant Clearing System shall be conclusive evidence of the nominal amount of Notes represented by the Global Notes and a statement issued by any relevant Clearing System at any time shall be conclusive evidence of the records of that relevant Clearing System at that time.

Interests recorded in the records of the relevant Clearing System in the Temporary Global Note are exchangeable in whole or in part for interests recorded in the records of the relevant Clearing System in the Permanent Global Note on or after a date which is expected to be 1 November 2021 upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for Definitive Notes only if:

- (A) an Event of Default has occurred; or
- (B) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no Alternative Clearing System is available; or
- (C) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) of Luxembourg or as a result of a change in the practice of any relevant Clearing System which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two authorised signatories of the Issuer is given to the Trustee.

Thereupon (in the case of (A) and (B) above) the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below) or the Trustee, may give notice to the Issuer and (in the case of (C) above) the Issuer may give notice to the Trustee and the Noteholders, of its intention to exchange the Permanent Global Note for Definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (C) above, shall surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver (free of charge to the bearer), or procure the delivery of, an equal aggregate principal amount of Definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal, listing authority and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant Definitive Notes.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in minimum denominations of EUR 100,000 and higher integral multiples of EUR 1,000 up to a maximum of EUR 199,000, but will in no circumstances be issued to Noteholders who hold Notes in the relevant Clearing System in amounts that are less than EUR 100,000.

In this Prospectus, “**Exchange Date**” means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (B) or (C) above, in the place in which the relevant Clearing System is located.

## 2. Payments

On and after 1 November 2021, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will be made to its holder. The Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant Clearing System, and, in the case of payments of principal, the nominal amount of the Notes will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing System shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

## 3. Calculation of interest

Notwithstanding the provisions of Condition 5 (*Redemption and Purchase*), for so long as all of the Notes are represented by a Global Note, interest shall be calculated on the aggregate principal amount of the Notes represented by such Global Note (and not per EUR 1,000 in principal amount), but otherwise shall be calculated in accordance with Condition 15 (*Notices*).

## 4. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held in a relevant Clearing System, notices to Noteholders may be given by delivery of the relevant notice to that relevant Clearing System for communication to the relative Accountholders (or otherwise in such manner as the Trustee, the Principal Paying Agent and the relevant Clearing System may approve for this purpose) rather than by publication as required by Condition 15 (*Notices*) provided that, so long as the Notes are admitted to listing or trading on any stock exchange, the requirements of such stock exchange have been complied with. Any such notice shall be deemed to have been given to the Noteholders on the day which is one business day, being a day on which banks are generally open, in Brussels and Luxembourg, after the date on which such notice is delivered to the relevant Clearing System as aforesaid.

## 5. Accountholders

For so long as any of the Notes are represented by a Global Note and such Global Note is held on behalf of a relevant Clearing System, each person (other than a relevant Clearing System) who is for the time being shown in the records of the relevant Clearing System as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by a relevant Clearing System as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer, the Guarantor and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to the relevant Clearing System for its share of each payment made to the bearer of the relevant Global Note.

## **6. Prescription**

Claims against the Issuer and/or the Guarantor for payment in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7.2).

## **7. Cancellation**

On cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase, the Issuer shall procure that details of such cancellation shall be entered in the records of the relevant Clearing System and, upon such entry being made, the principal amount of the applicable Global Note recorded in the records of the relevant Clearing System shall be reduced by the aggregate principal amount of the Notes so cancelled.

## **8. Authentication and Effectuation**

Each of the Temporary Global Note and the Permanent Global Note shall not become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Principal Paying Agent and effectuated by the entity appointed as Common Safekeeper by the relevant Clearing Systems.

## **9. Euroclear and Clearstream, Luxembourg**

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

References in the Global Notes to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee in which the Notes are held from time to time.

## USE OF PROCEEDS

The net proceeds of the Notes are expected to amount to EUR 493,595,000.

An amount equal to the net proceeds of the Notes will be used for:

- (i) the general corporate purposes of the Group including the repayment of certain unsecured and secured indebtedness of members of the Group, which indebtedness may include amounts owed to one or more of the Joint Lead Managers; and
- (ii) to finance and/or refinance environmental and/or green new and existing business and projects whose activities meet the eligibility criteria detailed in the Green Finance Framework (such businesses and projects being the “**Eligible Green Projects**”).

### **The Green Finance Framework**

The Group has established its green finance framework, which may be amended from time to time at the sole discretion of the Group (the “**Green Finance Framework**”). Under the Green Finance Framework, the Issuer may issue green bonds to finance and/or refinance Eligible Green Projects. The Group may, in the future, update the Green Finance Framework in line with developments in the market.

The Issuer believes that the Green Finance Framework is aligned with the International Capital Market Association’s Green Bond Guidelines, 2018. This conclusion is confirmed by the second party opinion dated 13 May 2021 obtained by the Issuer from the Second Party Opinion Provider (the “**Second Party Opinion**”), an external environmental, social and corporate governance research and analysis provider, which confirms the alignment of the Green Finance Framework with ICMA’s Green Bond Principles.

See the Green Finance Framework, the Second Party Opinion and any public reporting by or on behalf of the Issuer in respect of the application of proceeds (each of which will be available on the website of the Guarantor ([www.segro.com](http://www.segro.com)) and, for the avoidance of doubt, will not be incorporated by reference into this Prospectus) for further information.

### **Second Party Opinion Provider**

The Second Party Opinion Provider evaluated the Green Finance Framework established by the Issuer and the alignment of this Prospectus with relevant market standards and provided views on the robustness and credibility of the Green Finance Framework which views are intended to inform investors in the Notes in general, and not for a specific investor.

## DESCRIPTION OF THE ISSUER, THE GUARANTOR, AND OF THE GROUP

### SEGRO Capital S.à r.l.

The Issuer was incorporated on 4 June 2021 as a Luxembourg private limited liability company (*société à responsabilité limitée*) for an unlimited period of time under the laws of Luxembourg, in particular the Luxembourg law of 10 August 1915 on commercial companies, as amended. The Issuer is an indirect subsidiary of the Guarantor.

The authorised and issued share capital of the Issuer comprises 12,000 fully paid up shares of EUR 1 each held by SEGRO Overseas Holdings Limited whose registered office is at 1 New Burlington Place, London, England, W1S 2HR, registered in England and Wales with company number 01054564.

The registered office of the Issuer is at 35-37 Avenue de la Liberté, L-1931 Luxembourg, Grand Duchy of Luxembourg. The Issuer is registered with the RCS Luxembourg under number B256102. The Issuer can be contacted by telephone at +352 288 410 23.

The Issuer's financial year is from 1 January to 31 December of each year. Its first accounting year commenced on its incorporation date and will end on 31 December 2021. Accordingly, the Issuer has not yet prepared consolidated financial statements. Any future published financial statements prepared by the Issuer (in respect of the period ending on 31 December each year) will be available during normal office hours during the eight days preceding the holding of any extraordinary general meeting of the shareholders, at the registered office of the Issuer. The Issuer's operations are expected to commence on the Issue Date, and therefore no historical financial information is available.

The managers of the Issuer (the "**Managers**") are:

<i>Manager</i>	<i>Business occupation within the Group</i>	<i>External Directorships</i>
Desmond Mitchell	Manager	Director/Manager of various entities in the corporate groups of IK Investment Partners and 17Capital. In addition, Director/Manager of the following entities: Park Square Capital /SMBC Loan Programme S.à r.l., Clerical Medical Non-Sterling Property Co S.à r.l., A&M Capital Europe-Lux GP S.à r.l., New Mountain Investments VI Luxembourg, S.à r.l., Eastville S.à r.l. SPF and Immo Invest Limited.
Alain Peigneux	Manager	Director/Manager of various Luxembourg entities in the corporate groups of InfraMed, Koch

Industries, American Sugar Holdings (Florida Crystals Corporation), Lbrands, Atlas Arteria, as well as in Luxembourg entities managed by Essling Capital, IGIS Asset Management and Rothschild & Co Group (Merchant Banking arm). Director of his own firms, Fideuro and AP & Associés.

Ann Octavia Peters	Manager	None.
Henry Armstrong Stokes	Manager	None.

The business address of each of the Managers is that of the registered office set out above and at the back of this Prospectus. The Managers were appointed on 4 June 2021.

There are no potential conflicts of interest between the duties to the Issuer of the Managers and their private interests and/or other duties.

The Issuer is a finance vehicle to be used as Issuer of the Notes. A copy of the Issuer's Articles of Association will be available for inspection as described under "*Documents Available*" below.



## SEGRO PLC AND THE GROUP

### Background

The legal and commercial name of the Guarantor is SEGRO plc. It was incorporated in England and Wales on 19 May 1920 under registration number 00167591 and operates under the Companies Act 1985 and the Companies Act 2006 as amended from time to time as a public limited company. The Guarantor's shares were admitted to trading on the London Stock Exchange on 1 December 1949. The Guarantor is domiciled in the UK and the registered office of the Guarantor is 1 New Burlington Place, London, England, W1S 2HR, United Kingdom and the telephone number is +44 (0)20 7451 9100.

The Guarantor's ordinary shares are admitted to the premium segment of the Official List and trading on the London Stock Exchange's main market for listed securities. It is headquartered in London and is a member of the FTSE 100 index with a market capitalisation of approximately £15.6 billion as at 1 September 2021. The Guarantor became a REIT in the UK on 1 January 2007, allowing the Guarantor and its shareholders exemption from tax on income and gains derived from its UK investment property rental business and significantly increased flexibility for asset management. The Guarantor is the largest REIT in the UK and Europe, having the largest market capitalisation of all UK listed REITs in the UK and Europe.

At the date of this Prospectus, the Guarantor was not aware of any persons who directly or indirectly, jointly or severally, will exercise or could exercise control over the Guarantor.

At the date of this Prospectus, the Guarantor was not aware of any arrangement, the operation of which may at a subsequent date result in a change of control of the Guarantor.

The Guarantor, together with its subsidiary undertakings (including the Issuer), associated undertakings and investments, are collectively referred to as the Group. The Guarantor is, directly or indirectly, the holding company of all the companies in the Group.

The Guarantor's financial year is from 1 January to 31 December of each year. The Guarantor has prepared consolidated financial statements as at and for the years ended 31 December 2019 and 2020, copies of which have been filed with the FCA. The Guarantor published its results for the six months ended 30 June 2021 on 29 July 2021. Any future published financial statements prepared by the Guarantor (in respect of the period ending on 31 December each year) will be available during normal office hours during the eight days preceding the holding of any extraordinary general meeting of the shareholders, at the registered office of the Issuer.

#### *Proportional consolidated measures*

The Group has both property assets of which it holds 100 per cent. and some which it holds through stakes in joint ventures. In the Group's IFRS financial statements, joint ventures are accounted for on an equity basis (included as a single profit figure in the IFRS Income Statement and as a single investment figure on the IFRS Balance Sheet).

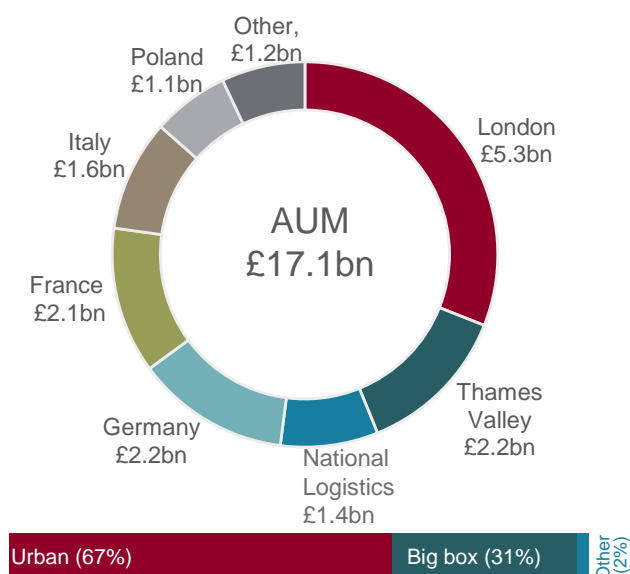
In operational terms, the Group manages joint venture assets in substantially the same way as it manages its wholly-owned assets. In light of this, the Directors manage the performance of the Group on the basis of various measures calculated consistently with the Best Practices

Recommendations Guidelines of EPRA to take into account the performance of both wholly-owned and joint venture assets. Unless specifically stated, KPIs and financial measures in this document are stated in consideration of the Group's wholly-owned assets and its share of joint venture assets on a 'proportional consolidated' basis taking into account 100 per cent. of wholly-owned assets and a percentage equal to the Group's stake in respect of joint venture assets. Where reference is made to size of a property, it is stated at 100 per cent. of the space, irrespective of whether the property is wholly-owned or held in a joint venture.

## Overview of the Group

The Guarantor is a UK Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris, and is a leading owner, manager and developer of modern warehouses and industrial property. As at 30 June 2021, it owns or manages 8.8 million square metres of space valued at £17.1 billion (£14.4 billion based on the Group's share of assets held in joint ventures) serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in seven other European countries which, the Directors believe, have attractive property market characteristics. The UK portfolio accounts for 63 per cent. (£9.036 billion) of the value of the overall portfolio and the Continental Europe portfolio accounts for the remaining 37 per cent. (£5.410 billion). At 30 June 2021, 18 per cent. of the Group's portfolio was held within joint ventures.

### Group's portfolio by geography and asset type, AUM, 30 June 2021



Source: the Guarantor

## Strategy

### The Group's strategy

The Group's strategy operates within the context of its Purpose, Culture, Business Model and the Responsible SEGRO approach to doing business, with all of these factors influencing both how it

operates on a day-to-day basis and also when making key strategic decisions on how to position the business for the future.

This ensures not only that it manages risk appropriately but it also means that the decisions made by the Directors take into account the interests of all relevant parties. It is this that allows the Group to 'create the space that enables extraordinary things to happen' and also ensures that the Group is positioned to do so over the longer term.

At the heart of the strategy are the relationships that the Group builds with its customers, helped by the fact that the majority of the portfolio is managed internally. The insights that the Group gains from the partnerships that it builds with its customers help it to anticipate longer term trends and to make strategic decisions that shape the portfolio and ensure the continued success of the business.

The Group's goal is to be the leading owner-manager and developer of industrial properties in Europe and the partner 'of choice' for its customers and other stakeholders. The use of the words 'of choice' reflects that the Directors recognise that the Group's customers, employees and other partners have the option to choose whether they work with the Group, driving the need to continuously improve and adapt to stay relevant and ensure that they choose to work with the Group not only today but also in the future.

On a property level the Group's goal reflects its ambition to create a portfolio of high-quality industrial properties in the strongest markets – a portfolio that generates attractive, low risk, income-led returns while providing above average growth (both in terms of rent and capital values) when market conditions are positive, and that proves to be resilient in a downturn.

The Directors seek to enhance returns through development, while ensuring that the short-term income 'drag' associated with holding land does not outweigh the long-term potential benefits.

Fundamental to the Group's strategy are three key pillars of activity which should combine to deliver attractive financial and non-financial returns:

- *Disciplined Capital Allocation*

The Guarantor invests in markets and assets which the Guarantor believes benefit from structurally high levels of demand and limited supply. Real estate has historically been a cyclical asset class so capital allocation is a dynamic activity and the Guarantor seeks to adapt its capital deployment according to its assessment of the property cycle.

- *Operational Excellence*

Operational Excellence involves optimising the performance of the Group's assets under management through dedicated customer service, expert asset management, and development and operational efficiency. The Guarantor faces competition from other warehouse providers in all of its markets and must therefore ensure that it is well-placed to

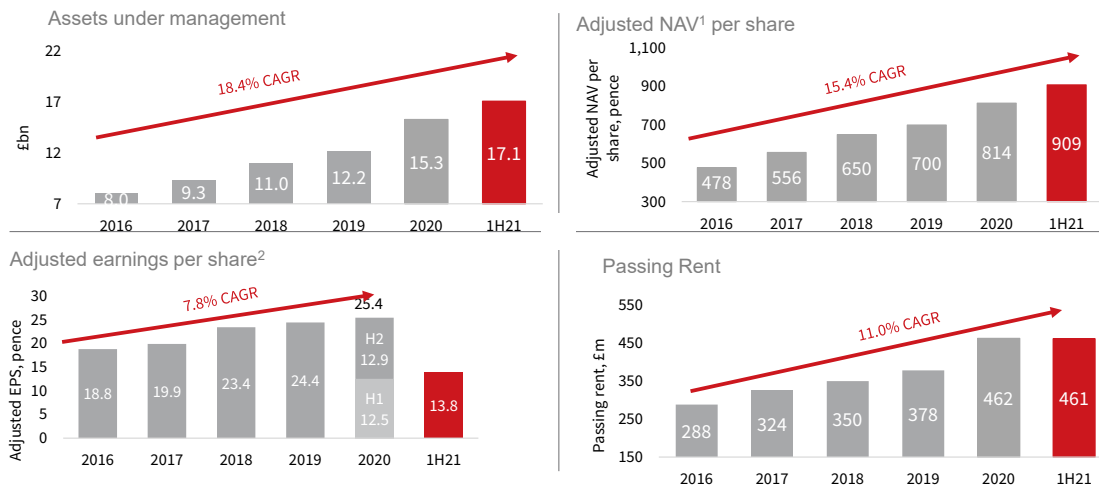
secure new customers and retain its existing ones on terms which support the Group's return targets.

- *Efficient Capital and Corporate Structure*

In addition to maximising the returns generated by the property portfolio, the Guarantor recognises that the Group must be run efficiently to maximise shareholder return. This principle also extends to the capital structure which must be sufficiently conservative to ensure that it does not detract from the returns otherwise achieved from the Group's portfolio. The combination of these elements should translate into sustainable, attractive returns for shareholders in the form of progressive dividends and net asset value growth over time. This is in addition to all of the other value that is created in the process of managing and building the portfolio.

This strategy has resulted in strong growth in assets under management, passing rent and adjusted net asset value per share and earnings per share in recent years.

### Group performance metrics 2016 - 2021



<sup>1</sup> Adjusted NAV is in line with EPRA NTA which was introduced 1 January 2020. The 31 December 2019 net asset value has been restated.  
<sup>2</sup> CAGR calculated over the period 2016 to 2020.

Source: the Guarantor

### Key Credit Strengths

The Guarantor believes the Group has a number of key credit strengths:

- a FTSE 100 listed owner and manager of a pan-European portfolio of high quality, modern and well-located urban and big box warehouses;
- strong Environmental, Social and Governance credentials, supported by the Responsible SEGRO strategy;

- exposed to occupier and investor markets with supportive structural supply-demand trends, particularly driven by the e-commerce revolution;
- track record of growth driven by asset management and development activity, with a high quality and diversified customer base;
- a strong balance sheet; and
- a proven and experienced management team.

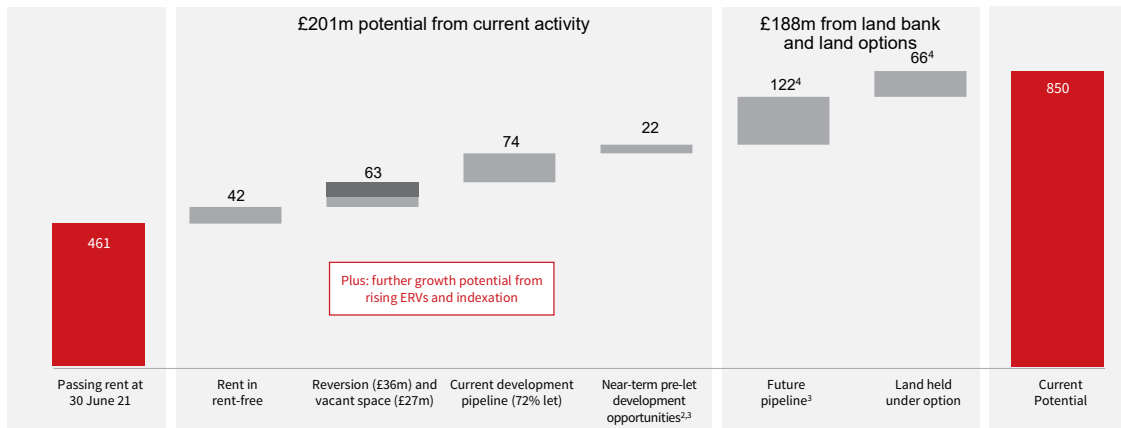
### **High quality, pan-European portfolio**

The Group's portfolio comprises modern big box and urban warehouses which are well specified and located, with good sustainability credentials, and which should benefit from a low vacancy rate and relatively low-intensity asset management requirements. The assets are concentrated in the strongest European submarkets which display attractive property market characteristics, including good growth prospects, limited supply availability and where the Group already has critical mass, or where the Directors believe the Group will be able to achieve it in a reasonable timeframe.

- The Guarantor manages a portfolio of completed properties totalling over six million square metres of space, buildings under construction and land which was valued at £14.4 billion at 30 June 2021, of which the Guarantor owns £11.8 billion outright and owns a 50 per cent. share of £5.3 billion of assets held within joint ventures.
- On a proportional consolidated basis, the Guarantor's portfolio of completed properties totalled £12.66 billion and comprised: 31 per cent. (£3.9 billion) of large warehouses; 67 per cent. (£8.5 billion) of smaller, urban warehouses (including urban warehouses used as data centres); and 2 per cent. (£0.3 billion) of higher value use assets and other uses of industrial land, which include self-storage facilities, car showrooms and offices which are usually situated in high visibility locations on industrial-zoned land.
- The Group owns and manages assets and development land in the UK and seven Continental European countries. At 30 June 2021, the UK portfolio accounted for 63 per cent. (£9.0 billion) of the overall portfolio, while Continental Europe accounted for the remaining 37 per cent. (£5.4 billion).
- The portfolio of standing assets generated annualised cash passing rent of £461 million at 30 June 2021, with a potential gross rent roll of £503 million after expiry of rent free periods. Once fully let at market rents, the valuer's estimated rental value (ERV) of the portfolio, prepared as of 30 June 2021, is £566 million.
- In addition, at 30 June 2021, the Group had buildings in the course of construction which the Guarantor believes, once fully let, are capable of generating additional headline rent of £74 million. The Guarantor believes that the Group's land bank for future development is capable of generating additional headline rent of £144 million, of which £22 million would be from largely pre-let development projects expected to commence within 6 to 12 months of the date of this Prospectus.

- The Guarantor also controls land held under option agreements which it believes is capable of generating a further £66 million of headline rent. While the Guarantor currently expects to exercise the options, there is no guarantee that it will do so.

**Annualised gross cash passing rent<sup>1</sup>, £ million (as at 30 June 2021)**



1 Including JVs at share

2 Near-term development opportunities include pre-let agreements subject to final conditions such as planning permission, which are expected to commence within the next 12 months

3 Total rent potential of £144m from near-term development opportunities and future pipeline.

4 Estimated. Excludes rent from development projects identified for sale on completion and from projects identified as "Near-term opportunities".

Source: the Guarantor

## Portfolio geography

### Main locations of the Group's assets



Source: the Guarantor

### UK investment portfolio

The UK portfolio is managed through three business units: (i) the Greater London business unit, which manages assets in two main clusters of Park Royal and London Airports (mainly around Heathrow Airport), with the remaining properties located mainly in North and East London; (ii) the Thames Valley business unit, which manages the Slough Trading Estate and other assets in South East England; and (iii) the National Logistics business unit, which manages the big box warehouse portfolio in the Midlands and South-East England.

At 30 June 2021, the UK portfolio comprised mainly smaller, urban warehouses (£6.8 billion), with £1.1 billion of big box warehouses, £0.2 billion of other uses of industrial land and £0.9 billion of land and development assets.

The table below provides information regarding space, valuation and vacancy of the Guarantor's UK portfolio at 30 June 2021.

	Lettable area (100%) 000 sq m	Property Portfolio (SEGRO share) £m	Property Portfolio (AUM) £m	Net initial yield <sup>1</sup> %	Net true equivalent yield <sup>1</sup> %	Vacancy by ERV <sup>2</sup> %
<b>UK</b>						
Greater London	1,226	5,349	5,349	2.9	3.9	6.6
Thames Valley	568	2,249	2,249	3.9	4.4	2.4
National Logistics	546	1,438	1,438	3.9	4.3	-
<b>UK TOTAL</b>	<b>2,340</b>	<b>9,036</b>	<b>9,036</b>	<b>3.3</b>	<b>4.1</b>	<b>4.7</b>

1 In relation to SEGRO's share of completed properties (i.e. portfolio excluding land and buildings under construction)

2 Vacancy rate is based on estimated rental value of vacant properties divided by estimated rental value of completed properties

### Continental European investment portfolio

The Continental European portfolio is managed through three business units, namely: (i) the Northern Europe business unit, which manages assets in Germany and the Netherlands, with operational leadership based in Düsseldorf; (ii) the Southern Europe business unit, which manages assets in France, Italy and Spain, with operational leadership based in Paris, and (iii) the Central Europe business unit manages assets in Poland and the Czech Republic, with operational leadership based in Poznań.

At 30 June 2021, the Continental European portfolio mainly comprised big box warehouses (£2.8 billion), with £1.7 billion of smaller, urban warehouses, £0.1 billion of other uses of industrial land, and £0.8 billion of land and assets under development.

The table below provides information regarding space, valuation and vacancy of the Guarantor's Continental European portfolio at 30 June 2021.

	Lettable area (100%) 000 sq m	Property Portfolio (SEGRO share) £m	Property Portfolio (AUM) £m	Net initial yield <sup>1</sup> %	Net true equivalent yield <sup>1</sup> %	Vacancy by ERV <sup>2</sup> %
<b>Continental Europe</b>						
Germany	1,478	1,486	2,224	3.0	3.8	2.4
Netherlands	233	175	334	3.7	4.1	2.5
<b>Northern Europe</b>	<b>1,711</b>	<b>1,661</b>	<b>2,558</b>	<b>3.1</b>	<b>3.9</b>	<b>2.4</b>
France	1,420	1,603	2,074	4.0	4.6	6.1
Italy	1,357	1,091	1,612	3.8	4.2	-
Spain	312	334	507	4.1	4.3	-
<b>Southern Europe</b>	<b>3,089</b>	<b>3,028</b>	<b>4,193</b>	<b>3.9</b>	<b>4.5</b>	<b>3.7</b>
Poland	1,475	627	1,104	5.1	5.6	6.3
Czech Republic	170	94	180	4.6	5.2	2.9
<b>Central Europe</b>	<b>1,645</b>	<b>721</b>	<b>1,284</b>	<b>5.0</b>	<b>5.6</b>	<b>5.9</b>
<b>CONTINENTAL EUROPE TOTAL</b>	<b>6,445</b>	<b>5,410</b>	<b>8,035</b>	<b>3.8</b>	<b>4.4</b>	<b>3.7</b>

1 In relation to SEGRO's share of completed properties (i.e. portfolio excluding land and buildings under construction)

2 Vacancy rate is based on estimated rental value of vacant properties divided by estimated rental value of completed properties



### *SEGRO European Logistics Partnership (SELP) joint venture*

The Group's main joint venture is SELP, which owns a portfolio valued at €6.1 billion at 30 June 2021 (of which the Group's share was €3.0 billion). At 30 June 2021, the headline rent of SELP was €262 million (of which the Group's share was €131 million) and the LTV was 31%. The Group established SELP as a strategic joint venture in October 2013 to enable it to build scale in Continental European big box warehousing. The strategic intentions of holding Continental European big box warehouses within a joint venture were:

- to allow the Group to extract operating economies of scale from a larger portfolio;
- to improve returns through cost efficiencies and the receipt of a management fee; and
- to reduce the amount of the Group's own capital required to support such a portfolio.

The Group acts as asset, property and development manager for SELP and receives fees based on its activity in all three areas.

### *Land bank*

The Group also has a substantial land bank which the Guarantor believes represents latent potential for future growth, the timing being dependent on their assessment of occupier demand and local supply. At 30 June 2021, the land bank was valued at £1.8 billion.

Land forming part of the land bank valued at £1.1 billion at 30 June 2021 was under development (the Current Development Pipeline). A further £651 million of land valued at 30 June 2021 relates to future development opportunities (the Future Development Pipeline), most of which the Guarantor expects to arise during the course of the five years following the date of this Prospectus.

The map below shows the Guarantor's land bank locations.

### Group land bank locations



Source: the Guarantor

### Diversified customer base

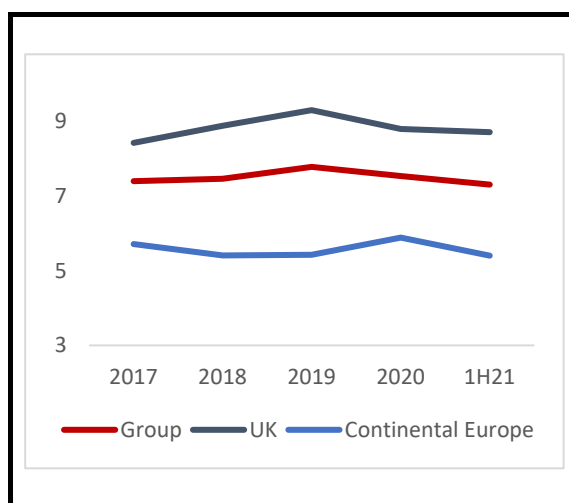
The Guarantor believes that the Group's pan-European portfolio of big box and urban warehouse assets makes it particularly well placed to service its customer base, of 1,408 customers, by offering a wide variety of warehouse sizes and locations in and around major cities and along key transport corridors. A number of the Group's largest customers are tenants in more than one of its geographies who occupy both big box and smaller urban warehouses that cater for local, regional, national and international operations. At a time when the nature of retailing is structurally changing from store-based sales to e-commerce, the Guarantor considers that the Group's portfolio is well placed to benefit from retailers' needs to create flexibility and extract efficiencies from their supply chains.

**Customer type by headline rent as at 30 June 2021 (SEGRO share)**

<b>CUSTOMER (BY HEADLINE RENT)</b>		
<b>(SEGRO Share)</b>		
1	Transport & Logistics	22%
2	Retail	18%
3	Food and General Manufacturing	17%
4	Post & Parcel Delivery	10%
5	Wholesale Distribution	10%
6	Technology, Media and Telecoms	9%
7	Services and Utilities	7%
8	Other	7%

Source: the Guarantor

**WAULT to first break (years), 31 December 2017 to 30 June 2021**



Source: the Guarantor

The Group has a diverse customer base reflecting the multiple uses of warehouse space across its portfolio. The changing nature of retailing means that retailers and logistics companies feature particularly heavily across both big box and urban warehouses. Additionally, the proximity of the Group's urban warehouse portfolio to major cities means that food manufacturers and data centre users are also an important component. The Group's top 20 customers (at 30 June 2021) are listed below and accounted for 30 per cent. of headline rent at 30 June 2021. Amazon became the Group's largest customer in 2020 and generates just under 5 per cent. of the Group's total rent.

The portfolio's weighted average unexpired lease term ("WAULT") to break has remained stable over the last three years at 7.3 years at 30 June 2021, from 7.4 years at 31 December 2017. This reflects the active asset management and quality of the portfolio and the need for long term certainty for many of the Group's customers, particularly given often heavy investment in fitting out their premises.

**Customer (by headline rent)**

**Customer type**

Amazon	Retail
Deutsche Post DHL	Post & Parcel Delivery; Transport & Logistics
Federal Express	Post & Parcel Delivery
Royal Mail	Post & Parcel Delivery
Worldwide Flight Services	Transport & Logistics
La Poste / DPD	Post & Parcel Delivery
XPO	Transport & Logistics
British Airways	Other
Equinix	Technology, Media and Telecoms

<b>Customer (by headline rent)</b>	<b>Customer type</b>
Virtus	Technology, Media and Telecoms
Geodis	Transport & Logistics
CyrusOne	Technology, Media and Telecoms
Leroy Merlin	Retail
Tesco	Retail
Ocado	Retail
Menzies	Transport & Logistics
ID Logistics	Transport & Logistics
Mars	Manufacturing
Ikea	Retail
Swissport	Transport & Logistics

The diversity of the Group's customer base meant that the impacts of the global COVID-19 pandemic were wide-ranging, with many of the Group's customers benefiting from a sudden increase in demand for their goods and services and others finding that their revenues stopped overnight or having to shut down their operations temporarily as employees were no longer able to travel to their premises.

For customers whose businesses were fundamentally sound but suffering short-term cash flow issues due to the COVID-19 pandemic, the Group deferred or restructured rents to alleviate some of the pressure that they were facing.

The majority of these deferrals took the form of moving customers from quarterly to monthly payment plans which proved to be very effective in helping the most impacted to survive the crisis. As at 31 December 2020 the Group had received 98 per cent. of rents due in 2020 with the remaining 2 per cent. due in the early part of 2021. Customer insolvencies in 2020 were in line with usual levels and the Group's vacancy rate remained low.

In 2021, rental collection has broadly normalised to pre-COVID-19 levels and patterns.

### **Strong Environmental, Social and Governance Credentials**

#### *Responsible SEGRO strategy summary*

The Group's Purpose is to create the space that enables extraordinary things to happen. It highlights the Group's dual roles: as creators of physical spaces and enablers for its stakeholders to achieve their own ambitions.

It is true for the Group's customers who depend on its properties to be able to deliver the extraordinary range of goods and services which are essential to modern life. It is true for its colleagues, whom it wants to thrive and to maximise their potential while working with the Group.

And it is true of other stakeholders such as the people and communities who work in, live near or provide services to the Group's properties.

The Group's commitment to be a force for societal and environmental good is integral to its Purpose and Strategy. This has been at the core of how the Group does business for over 100 years, and will be just as important for the next 100. This commitment is led by the Board, but lived by the Group's colleagues every day. It's about doing the right thing and making a positive impact wherever the Group operates.

To make sure that the Group continues to meet its high standards and those that are expected of the Group, the Group listened to its customers, employees, suppliers, investors and other stakeholders to understand what's important to them and how it can be a force for good beyond the buildings it creates and owns. The Group's ambition is to be the partner of choice for all of its stakeholders, to enable it to create long-term economic and societal value.

The Group's long-held commitments to leadership in health and safety, stakeholder engagement, corporate governance and being a good corporate citizen are stronger than ever and the Responsible the Group priorities have been designed to support and enhance these.

The Responsible SEGRO framework introduces three long-term priorities to which the Group can make the greatest business, environment and social contribution. The three priorities are:

- championing low-carbon growth;
- investing in our local communities and environments; and
- nurturing talent.

For each of these areas there are challenging initial targets, against which the Group will report annually, and have set out the actions needed to achieve them. Additionally, more specific, supporting targets will be established as necessary and the Group expects its actions and approach

to evolve over time to reflect its achievements, technological change and the priorities of its stakeholders and wider society.

The table below shows the Group's three long-term priorities within the Responsible SEGRO Strategy which is available on its website [www.segro.com/esg](http://www.segro.com/esg).

	<b>Championing low-carbon growth</b>	<b>Investing in our local communities and environments</b>	<b>Nurturing talent</b>
<b>Context</b>	The Group recognises that the world faces a climate emergency and it is committed to playing its part in tackling climate change by limiting global temperature rise to less than 1.5 degrees, in tandem with growth in its business and the wider economy.	The Group is an integral part of the communities where it operates, and it is committed to contributing to their long-term vitality.	The Group's people are vital to and inseparable from its success, and it is committed to attracting and retaining a diverse range of talented individuals in its business.
<b>Target</b>	The Group will be net-zero carbon by 2030.	The Group will create and implement Community Investment Plans for every key market in its portfolio by 2025.	The Group will increase the overall diversity of its own workforce throughout the organisation.
<b>Actions</b>	<p>The Group will aim to reduce carbon emissions from its development activity and the operation of its existing buildings, and eliminate them where possible.</p> <p>The Group will implement plans to absorb any residual carbon.</p> <p>The Group will research and implement innovative approaches to absorb or offset residual carbon.</p>	<p>The Group will work with its customers and suppliers to support its local businesses and economies.</p> <p>The Group will help improve the skills of local people to enhance their career and employment opportunities by investing in local training programmes.</p> <p>Equally, the Group will enhance the spaces around our buildings, working with local partners to ensure it meets the needs of its communities.</p>	The Group will provide a healthy and supportive working environment, develop fulfilling and rewarding careers, foster an inclusive culture and build a more diverse workforce.

The Group has put the right structures in place throughout the business to monitor how it are performing against the targets, and it expects to achieve the goals by drawing on the Group's expertise in its field; its strong relationships with its investors, customers and suppliers; and the resourcefulness and determination of its people. The goals will be achieved by working with local communities, partners – in particular customers – and suppliers in order to deliver real change for the greater good.

The Group believes that working towards and achieving the goals within the Responsible SEGRO framework will ensure that the Group remains a business fit for the future, one that helps its customers grow, its communities flourish and its people thrive.

#### *The Group's external ESG ratings*

The Group is rated strongly by a number of third party ESG agencies:

- rated AAA by MSCI;
- rated A- by Carbon Disclosure Project;
- ranked in the 85<sup>th</sup> percentile on the Dow Jones Sustainability Index;
- rated Gold by the European Public Real Estate Association (EPRA) for its sustainability disclosure;
- GRESB attributes a three-star rating for the Group's standing assets and five-star for its development completions; the SELP joint venture's portfolio is rated four-star and five-star respectively; and
- the Guarantor is a member of the FTSE4Good index.

#### *SEGRO Green Buildings Portfolio*

The Group defines its Green Buildings Portfolio as having one or both of the following attributes:

- BREEAM certification of Very Good or better, DGNB Silver or better or HQE Very Good or better; and
- Energy Performance Certificate (EPC) of B-grade or better. Note: EPCs are required across all the Group's operating countries in order to sell or let a property, as per the EU Energy Performance of Buildings directive. This directive can be transposed into national law differently, and for this reason Germany and Poland do not provide an alphabetical rating on the certificate. For these countries, primary energy demand (as shown on the EPC) is used in order to provide a Group performance metric based on an alphabetic rating.

Based on completed asset values at 31 December 2020, £2.9 billion of the Group's wholly-owned portfolio had a BREEAM certificate (or equivalent) of Very Good or better and £3.9 billion had an active EPC of B or better. Taking account of the significant number of properties which are in both categories, SEGRO's Green Buildings Portfolio totals £4.4 billion, or 46 per cent. of the total wholly owned portfolio. The Guarantor expects this portfolio to grow in absolute and percentage terms as

the Group progresses its development and refurbishment programme. All of the development projects completed in the period from 31 December 2020 to 30 June 2021 have been, or are in the process of being, accredited as BREEAM Excellent or Very Good (or a local equivalent).

### **Supportive structural market trends in supply and demand**

The Guarantor believes demand for European industrial assets is undergoing powerful, long term structural change. This is being driven by a combination of factors including the digitalisation of society (including the rise of e-commerce and increased use of data), a focus by businesses on supply chain efficiency and resilience, urbanisation, and a growing requirement for efficient and sustainable buildings.

The Group's portfolio has been benefiting from many of these structural drivers over the past few years but their impact has been accelerated by the COVID-19 pandemic (for example online sales penetration rates are now 2-3 years ahead of pre-pandemic projections) and this has resulted in increased investor and occupier demand for industrial assets.

This represents a significant current and future opportunity for the Group and the Group considers itself well placed to respond with its portfolio of prime assets in key urban locations and logistics markets as well as its established operating platform and extensive land bank in the UK and Continental Europe.

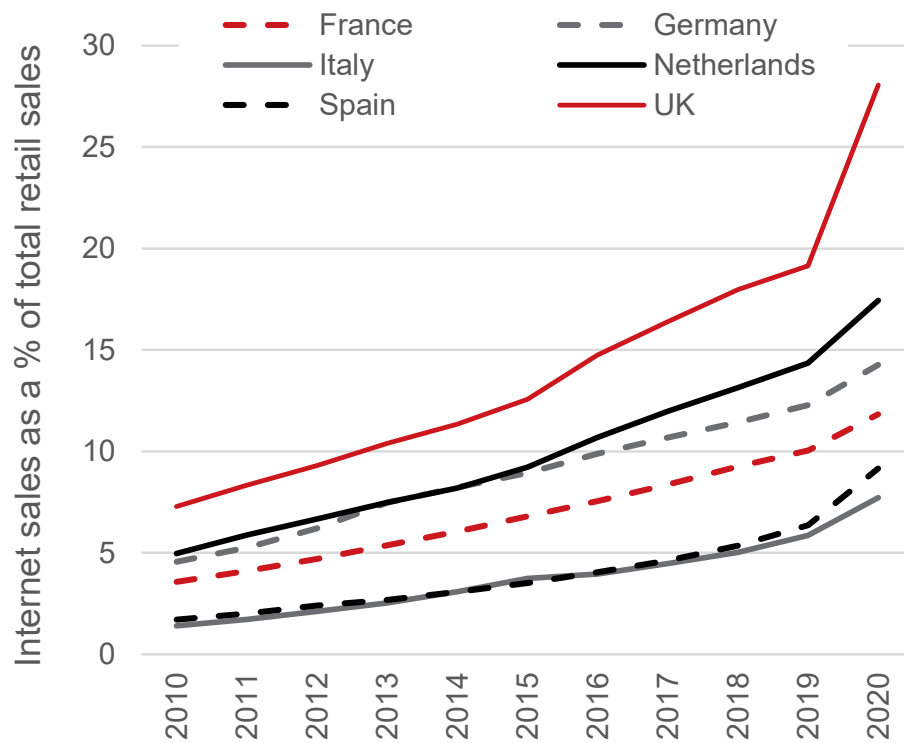
#### *Occupier Market Overview*

Increased penetration of e-commerce as a proportion of retail sales across Europe is an important driver of occupier demand for industrial and logistics space. As an increasing amount of sales go online, retailers need to adapt their distribution networks to allow for delivery not just to a store network but also to individual homes and offices, as well as to handle returns. This has led to the rise of a 'hub-and-spoke' model which includes both larger, modern, strategically located big box warehouse space used for order fulfilment as well as smaller urban warehouses on the edges of major population centres used for 'last-mile' delivery.

E-commerce penetration levels differ widely across Europe and some countries (for example the UK) are much more advanced in this process of adaptation than others but the significant and rapid increase in the proportion of sales via online channels is requiring business to review their models and has resulted in increased occupier demand for both big box and urban warehouses.



## E-commerce penetration grew significantly in 2020



Source: CBRE

In addition to this, the pandemic, as well as the border disruption caused by Brexit, has instead highlighted the importance of resilient supply chains and this has stimulated new demand from occupiers looking to compete more effectively in the future, whether that be from simply holding more inventory (and therefore requiring more space) or from near-shoring production or holding more inventory.

Finally, with the world becoming more environmentally aware there is an increasing focus on the impact of buildings on the environment and finite natural resources. Occupiers want to minimise their own footprints and reduce their overall occupancy costs and are looking for buildings that are sustainable in the long term and use natural resources efficiently.

At the same time, supply of high quality warehouse space remains limited. Growing occupier demand for well-located prime logistics assets, and a lack of speculative development over recent years, means that most European markets are experiencing low vacancy rates. Real estate advisors Jones Lang LaSalle (“JLL”) estimate a pan-European average vacancy rate of 4.7 per cent. as at 30 June 2021.

**Low European big box vacancy rate of 4.7%**  
(Rates at 30 June 2021)

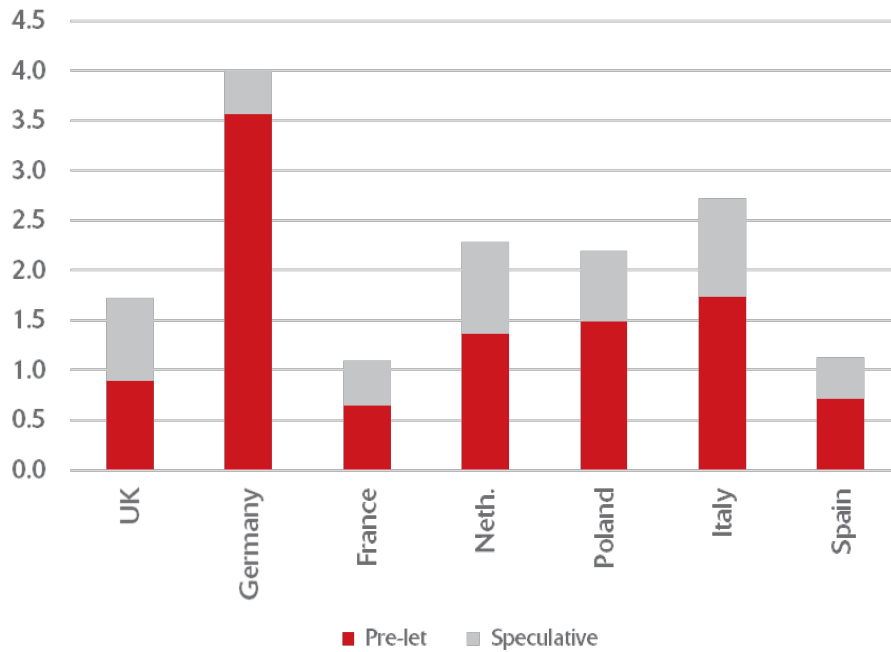


Source: JLL

The outlook for big box warehouse supply is supportive, with the pipeline of warehouses under construction being predominantly pre-let. As at 30 June 2021, approximately 70 per cent. of big box warehouse space under construction in the Group's major markets was pre-let.

**European warehouse market: development remains substantially pre-let**

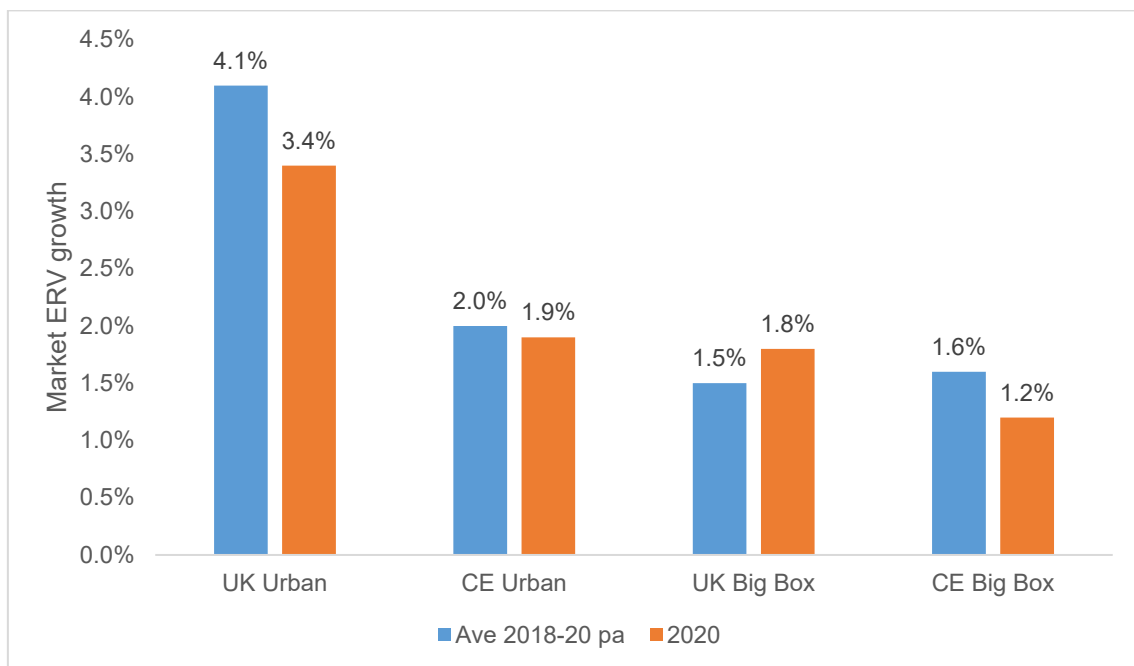
(Logistics space under construction in million sq m at 31 March 2021; source: JLL)



Urban warehouses tend to be developed on a speculative basis but the supply situation in the Group's major urban markets such as London and Paris is even more constrained with industrial land being re-zoned for higher value uses, most often residential. In London, the Group's largest urban warehouse market, industrial land has steadily fallen in recent years, and it has been forecast by the Greater London Authority to fall by 43 per cent. between 2001 and 2041.

Strong occupier demand and disciplined, or limited, supply of good quality warehouse space is reflected in the recent growth in the Group's valuers' estimates of market rents used in their annual valuation process of the Group's portfolio. The chart below shows the 2020 growth in ERVs for big box and urban warehouses in the Group's UK and Continental European portfolios.

The higher demand-supply tension for urban warehouse assets, particularly the Group's UK assets which are concentrated in London and the South East of England, is evident in the faster pace of recent growth.



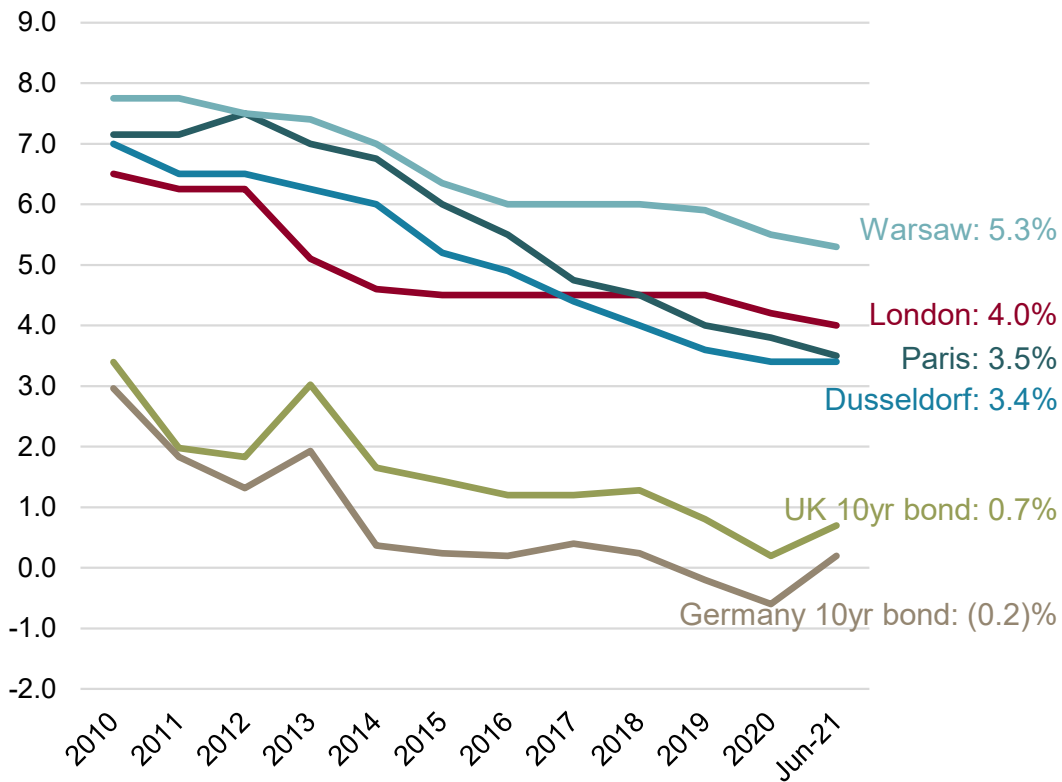
Source: Guarantor

#### Investment Market Overview

The spread between yields from logistics properties and the yields from (risk free) government bonds in Europe remains wide by historic standards, despite yield compression in recent years. This continuing gap is illustrated in the chart below which shows prime logistics warehouse yields in the Group's major markets compared to UK and German 10-year government bond yields.

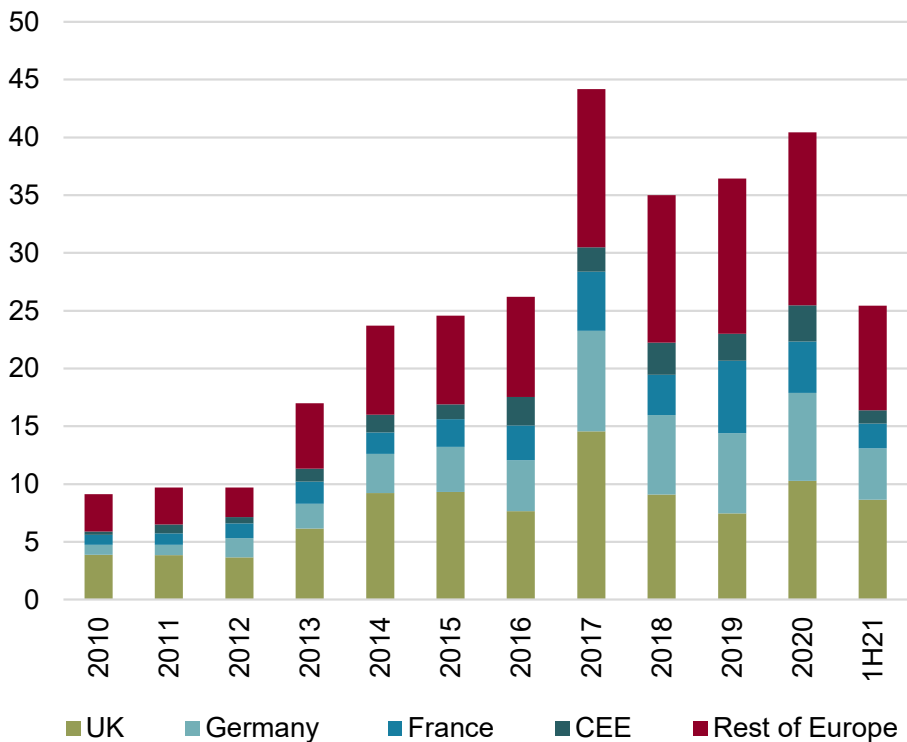
### Prime logistics yields versus 10 year bond yields

Source: CBRE, Bloomberg (data correct as at 30 June 2021)



### European big box warehouse investment volumes, 2010-1H21 (€bn)

Source: CBRE



## *Market Outlook*

The Guarantor believes that the outlook for both big box and urban warehouse occupier and investor demand remains positive and therefore the Group expects to continue to show resilience and deliver growth. Vacancy rates remain low across the Group's key markets and supply of prime space remains disciplined. The Group anticipates that the structural drivers that have been accelerated by the COVID-19 pandemic will continue to drive both occupier and investor demand for its portfolio for the foreseeable future.

The Guarantor believes that the Group is well-placed to take advantage of these trends:

- The Group owns a modern, diverse portfolio of urban and logistics assets which are in areas of structurally strong demand and limited supply where there are good prospects for rental growth;
- The Group owns, or controls through options, a strategic land bank allowing it to satisfy strong occupier demand by building new urban and big box warehouses, often on a pre-let (and therefore de-risked) basis;
- The Group's disciplined approach to capital allocation ensures that it continuously assesses opportunities to take advantage of strong investor demand to dispose of select assets at attractive prices;
- The Group's strong balance sheet and access to local, specialised investment and asset management teams provides it with significant capacity to identify and fund potential investment opportunities quickly.

## **The Group's track record of growth from asset management and development**

The Guarantor monitors and reports a number of key indicators to assess the performance of its portfolio over time. Market dynamics and the Guarantor's strategy of Operational Excellence and Disciplined Capital Allocation have driven improvement in these indicators in recent years. The Guarantor believes that this performance has been reflected in its strong share price performance. Between 31 December 2010 and 30 June 2021, the Group's shares have generated an annualised total shareholder return (share price change plus dividends distributed) of 507.5 per cent., compared to 115.2 per cent. from the FTSE 350 REIT Index. Between 30 June 2020 and 30 June 2021, the Group's total shareholder return was 25.2 per cent., compared to 22.1 per cent. from the FTSE 350 REITs Index.

## *Operational Excellence*

Data in this section reflect the operating performance of the Group's wholly owned assets and its share of assets held in joint ventures.

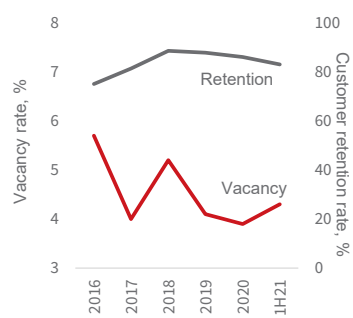
- **Vacancy rate:** the Guarantor believes that vacancy is an important guide to the quality of the portfolio and the success of its asset management. Over the last few years through a combination of strong occupier demand and limited supply, the vacancy rate has steadily decreased and remains at a low level falling from 5.7 per cent. at 31 December 2016 to 4.3 per cent. at 30 June 2021, with the vacancy rate on its standing stock (i.e. excluding newly

completed speculative developments) at only 3.0 per cent. (31 December 2020: 2.6 per cent.). The vacancy rate is now at the bottom end of the Group's target range of between 4 and 6 per cent.

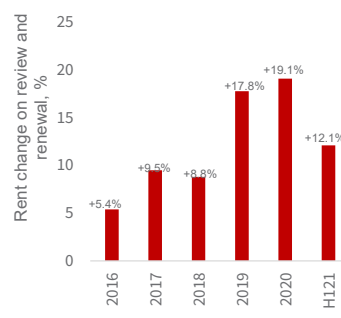
- **Rental growth from lease reviews and renewals:** active asset management of the Group's existing estate has resulted in significant growth over the 5 year period from 2016 as highlighted in the graph below. During 2020, this generated an uplift of 19.1 per cent. (2019: 17.8 per cent.) for the portfolio as a whole compared to previous headline rent. During the first six months of 2021, new rents agreed at review and renewal were 12.1 per cent. higher for the portfolio overall. They were 16.4 per cent higher in the UK (H1 2020: 16.2 per cent higher) as reversion accumulated over the past five years was reflected in new rents agreed, adding £3 million of headline rent. In Continental Europe, rents agreed on renewal were 1.8 per cent higher (H1 2020: 0.9 per cent higher), with market rental growth slightly ahead of the indexation provisions that have accumulated over recent years.
- **Customer retention:** remained high at 83 per cent. during the first six months of 2021 (H1 2020: 88 per cent.; FY 2019: 88 per cent.; FY 2020: 86 per cent.), due to enduring demand for space in the Group's high-quality, well located portfolio and focus on excellent customer service inherent within its platform.
- **Income security from rental terms:** the portfolio's weighted average lease length remained stable during the first six months of 2021 with 7.3 years to first break and 8.6 years to expiry (31 December 2020: 7.5 years to first break, 8.8 years to expiry). Lease terms are longer in the UK (8.7 years to break) than in Continental Europe (5.4 years to break), reflecting the market convention of shorter leases in countries such as France and Poland.
- **Rent roll growth:** an important element of achieving the Group's goal of being a leading income-focused REIT is to grow its rent roll, primarily through increasing rent from its existing assets and then from generating new rent through development. Rent roll growth, which reflects net new headline rent from existing space (adjusted for take-backs of space for development), take-up of developments and pre-lets agreed during the period, increased to £27.0 million in the first six months of 2021 (H1 2020: £25.0 million).
- **Total cost ratio:** In 2020, the Group's TCR was 21.1 per cent. (2019: 22.9 per cent.), which is higher than the Guarantor's stated target of 20 per cent. This improved to 19.8 per cent. in the first six months of 2021. The Guarantor believes that the Group's cost base is capable of supporting a larger portfolio than it currently owns and expect the Group's TCR to reduce as it increases its scale position in its major markets, particularly in big box warehousing in the UK and Italy, and in urban warehousing in Germany.

## Strong operational metrics

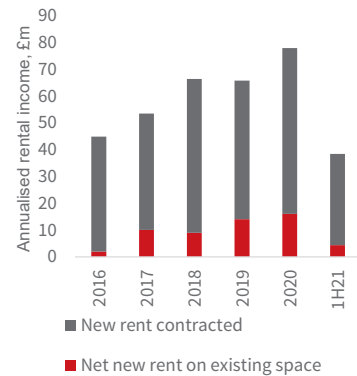
High levels of customer retention and continued low vacancy<sup>1</sup>



Capturing reversion from renewals and reviews<sup>2</sup>



Record leasing performance<sup>3</sup>

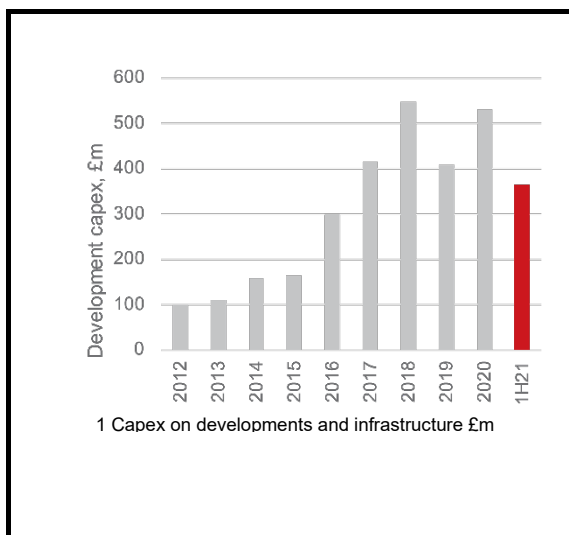


<sup>1</sup> Vacancy rate based on ERV at 30 June 2021; customer retention rate based on headline rent retained in the same or alternative SEGRO premises.  
<sup>2</sup> Uplift in 2019 and 2020 included re-gears on the peppercorn leases in the Heathrow portfolio so capture of reversion was higher – all of the re-gears have now been completed.  
<sup>3</sup> Net new rent on existing space reflects headline rent agreed on new leases less passing rent lost from space taken back during the year; new rent contracted is total headline rent secured or (in the case of developments) agreed in the year.

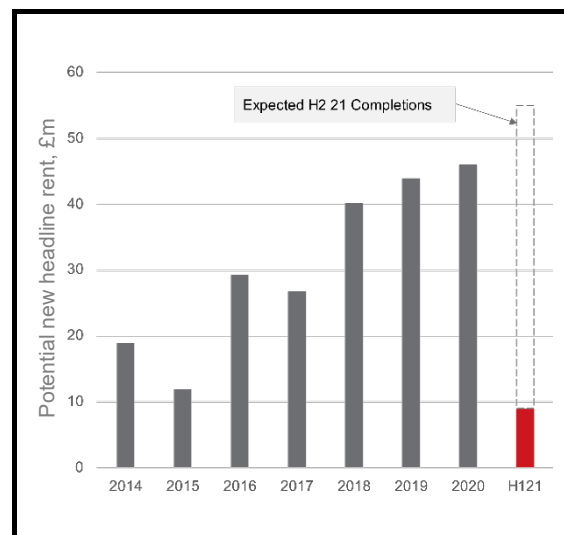
Source: the Guarantor

## Development track record

The Group's development capability is an important generator of growth. Since late 2011 the Group has built almost 4.5 million square metres of new space, with development capex of £3.1 billion which has added over £250 million to the rent roll.



Source: the Guarantor



Source: the Guarantor

## Developments completed in 2020

In 2020, the Group invested £0.8 billion in its development activity comprising £0.5 billion on development capital expenditure and £0.3 billion on land acquisitions. During 2020, the Group completed 835,900 square metres of developments which, when fully let, the Guarantor believes

are capable of generating £47 million in headline rent. The developments comprise a mix of developments where a lease was agreed prior to the start of construction (pre-let) and developments which were started without a lease in place (speculative). 93% of developments are targeting BREEAM 'Excellent' or 'Very Good' ratings (or the relevant local equivalent).

Of the developments completed in 2020, 71 per cent. were pre-let prior to the start of construction and were 84 per cent. let as at 31 December 2020, generating £39 million of headline rent, with a potential further £8 million expected by the Guarantor when the remainder of the space is let. This translates into a yield on total development cost (including land, construction and finance costs) of 6.8 per cent when fully let.

#### *Developments completed in 2021*

In the six months to 30 June 2021, the Group invested £0.5 billion in its development activity, comprising £0.4 billion on development capital expenditure and £0.1 billion on land acquisitions. Between 31 December 2020 and 30 June 2021 the Group completed 104,000 square metres of developments which, when fully let, the Guarantor believes are capable of generating £8 million in headline rent. 75% of the development completions are pre-let with the remaining 25% speculative. When fully let at assumed levels of rent, this would translate to a yield on total development cost of 6.7 per cent.

The Guarantor believes that the Group's development pipeline provides an important source of both income and capital value growth.

#### *Current Development Pipeline*

At 30 June 2021, 1,131,400 square metres of developments were approved, contracted or under construction in relation to the Current Development Pipeline, which the Guarantor believes are capable of generating £74 million of annualised gross rental income when fully let, of which 72 per cent. has been secured through pre-let agreements. 50 developments are in the Current Development Pipeline. The Group's development focus is underpinned by pre-lets and strong occupier demand.

The Guarantor estimates that £337 million in capital expenditure will be required to complete the Current Development Pipeline and that, once completed and fully let, the developments will generate a yield on cost of approximately 6.5 per cent.

The table below sets out a summary of the Current Development Pipeline split between the UK and Continental Europe and the developments that are wholly-owned by the Group.

	Hectarage (space, 100%) ha	Space to be built (100%) sq m	Current book value <sup>1</sup> £m	Estimated cost to completion <sup>2</sup> £m	ERV when completed <sup>3</sup> £m	Pre-let (ERV) £m	Estimated yield on cost <sup>4</sup> %
<b>CURRENT DEVELOPMENT PIPELINE (A)</b>							
UK — wholly-owned	32	216,195	444	105	30	23	7.2%
Continental Europe — wholly-owned	99	556,800	508	161	33 <sup>5</sup>	26	6.2%
Continental Europe — joint ventures	52	286,203	93	35	6	4	6.4%
	<b>183</b>	<b>1,059,198</b>	<b>1,045</b>	<b>301</b>	<b>69</b>	<b>53</b>	<b>6.6%</b>
Forward funded projects	15	72,243	63	36	5	-	4.8%
	<b>198</b>	<b>1,131,441</b>	<b>1,108</b>	<b>337</b>	<b>74</b>	<b>53</b>	<b>6.5%</b>



- 1 Includes current value of land plus all costs incurred to date.
- 2 Estimated costs to completion include estimated finance charges during construction which are capitalised to the end of the construction period.
- 3 ERV based upon market rents as at 30 June 2021.
- 4 Yield on cost is the expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let, divided by the cost of the developments taking land at value at commencement of the developments plus total development costs to completion.

At 30 June 2021, the projects in the Current Development Pipeline comprised (by square metre): 79 per cent. of big box warehouse assets (68 per cent. in Continental Europe and 11 per cent. in the UK); and 21 per cent. of urban warehouse assets (12 per cent. in Continental Europe and 9 per cent. in the UK). In total, 80 per cent. of the projects are located in Continental Europe and 20 per cent. are located in the UK.

Within the Group's Continental European Current Development Programme, approximately £22 million of potential gross rental income is associated with big box warehouses developed outside of the Group's SELP joint venture. Under the terms of the joint venture, SELP has the option, but not the obligation, to acquire these assets shortly after completion. Assuming SELP exercises its option, the Guarantor would retain a 50 per cent. share of the rent after disposal. In 2021, the Guarantor sold £233 million of completed assets to SELP, representing a net disposal of £117 million.

#### *Future development projects*

In addition to the land being utilised as part of the Current Development Pipeline, at 30 June 2021, the Group had strategically located land banks of approximately 597 hectares, for which the Guarantor expects most development opportunities to arise during the course of the five years following the date of this Prospectus and which, in aggregate, the Guarantor believes have the potential to develop 2.5 million square metres of buildings. At today's prices, the Guarantor estimates that this would entail future potential development expenditure of approximately £1.4 billion and could produce estimated incremental headline rent in the region of £144 million based on market rental levels at 30 June 2021 in the different geographies.

Within this land bank, the Guarantor has identified a number of almost entirely pre-let development projects which are expected to commence within 6 to 12 months of 30 June 2021, subject to final conditions (including planning permissions and finalisation of pre-let agreements) being met (the Near-Term Development Projects). These projects, which involve approximately £186 million of capital expenditure, total 183,100 square metres of new warehouse space, capable of generating £22 million of headline rent when fully let.

The table below shows the Group's land bank at 31 December 2020 (split between the UK and Continental Europe and between development that are within a joint venture and developments that are wholly-owned by the Guarantor).

	Hectareage (space, 100%) ha	Space to be built (100%) sq m	Current book value <sup>1</sup> £m	Estimated cost to completion <sup>2</sup> £m	ERV when completed <sup>3</sup> £m	Pre-let (ERV) £m	Estimated yield on cost <sup>4</sup> %
<b>FUTURE DEVELOPMENT PIPELINE (B)</b>							
UK — wholly-owned	274	1,016,269	436	766	82	-	6.8%
Continental Europe — wholly-owned	148	680,870	159	456	43 <sup>5</sup>	-	7.0%
Continental Europe — joint ventures	175	850,993	56	203	19	-	7.4%
	<b>597</b>	<b>2,548,132</b>	<b>651</b>	<b>1,425</b>	<b>144</b>	<b>-</b>	<b>6.9%</b>

- 1 Includes current value of land plus all costs incurred to date.
- 2 Estimated costs to completion include estimated finance charges during construction which are capitalised to the end of the construction period.
- 3 ERV based upon market rents as at 30 June 2021.
- 4 Yield on cost is the expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let, divided by the cost of the developments taking land at value at commencement of the developments plus total development costs to completion.

The potential annualised gross rent from the current, near-term and future development pipelines (excluding optioned land) is estimated to be at £218 million as at 30 June 2021, divided by asset type between Big box (67%), Urban (28%) and Other (5%), and by region between the UK (53%) and Continental Europe (47%).

#### *Other land holdings*

In addition, at 30 June 2021, the Group owned 65 hectares of land valued at £25 million. This land has either been identified for development in the longer term or for disposal.

#### *Options over development land*

Land sites held under option agreements are not included in the figures above but together represent significant further development opportunities, primarily in the UK, including sites for urban warehousing in East London and for big box warehouses in the Midlands and South East regions of the UK. The options, held on the balance sheet at a value of £16 million (including joint ventures at share), are exercisable in both the short and the longer term: those in the short term are for land capable of supporting just over 1.1 million square metres of space and generating £66 million of headline rent.

#### *Acquisitions and disposals*

Since 2012, the Group has disposed of almost £3.8 billion of assets and land (excluding sales to its joint venture SELP) in markets or subsectors that it identified as non-core. During the same period the Group acquired over £2.7 billion of assets in what it considers to be key strategic markets.

During the financial year ending 31 December 2020, the Group sold £139 million of assets (on a proportional consolidated basis), primarily comprised of: (i) land and assets in Austria (a jurisdiction that the Group had decided to exit) and (ii) some older warehouses in France and London. The proceeds of these disposals, along with £680 million of gross proceeds from an equity placing in June 2020 (the “**Equity Placing**”) and €450 million of US private placement debt (the “**USPP**”), have been deployed into £603 million of asset acquisitions, £531 million of development capex and £286 million of land acquisitions for the financial year ending 31 December 2020.

In 2020 the Group bought two urban warehouse parks in London, one close to its existing assets in Park Royal, and acquired a further 75 per cent. of the shares of the listed French urban warehouse company Sofibus Patrimoine SA whose main asset is a large industrial warehouse estate close to the centre of Paris.

During the period from 31 December 2020 to 30 June 2021, the Group made acquisitions totalling £92 million, including a site in South London on which they have agreed a forward-funding agreement to build an urban warehouse park. During the same period, the Group recognised proceeds of £154 million from the disposal of land and assets, including a recently developed stand-alone car showroom in the Thames Valley portfolio, and a sale of a portfolio of Continental European big box warehouses developed by the Group to SELP.

### **Strong balance sheet**

The Guarantor manages its financial metrics on a look through basis of the Group with joint ventures at share. At 30 June 2021 the Group had, on a proportionally consolidated basis, net borrowings of £3.1 billion and available cash and undrawn facilities of just over £1.2 billion. Net borrowings, including the Group's share of joint venture net debt, increased slightly by £4 million from 31 December 2020 to £3,092 million at 30 June 2021. The Group intends to keep its LTV at around 30 per cent. and at 30 June 2021 the LTV on a proportional consolidated basis was 21 per cent.

## Financial Position and Funding

<b>GROUP ONLY</b>	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>31 December 2020</b>
Net borrowings (£m)	<b>2,275</b>	1,799	2,325
Available Group cash and undrawn facilities (£m)	<b>983</b>	1,319	1,061
Gearing (%)	<b>21</b>	21	24
LTV ratio (%)	<b>19</b>	20	22
Weighted average cost of debt <sup>1</sup> (%)	<b>1.6</b>	1.8	1.7
Interest cover <sup>2</sup> (times)	<b>7.0</b>	6.5	6.6
Average duration of debt (years)	<b>11.3</b>	11.1	11.7
<b>INCLUDING JOINT VENTURES AT SHARE</b>			
Net borrowings (£m)	<b>3,092</b>	2,511	3,088
Available cash and undrawn facilities (£m)	<b>1,230</b>	1,541	1,189
LTV ratio (%)	<b>21</b>	22	24
Weighted average cost of debt <sup>1</sup> (%)	<b>1.5</b>	1.7	1.6
Interest cover <sup>2</sup> (times)	<b>6.9</b>	6.4	6.5
Average duration of debt (years)	<b>9.7</b>	9.4	9.9

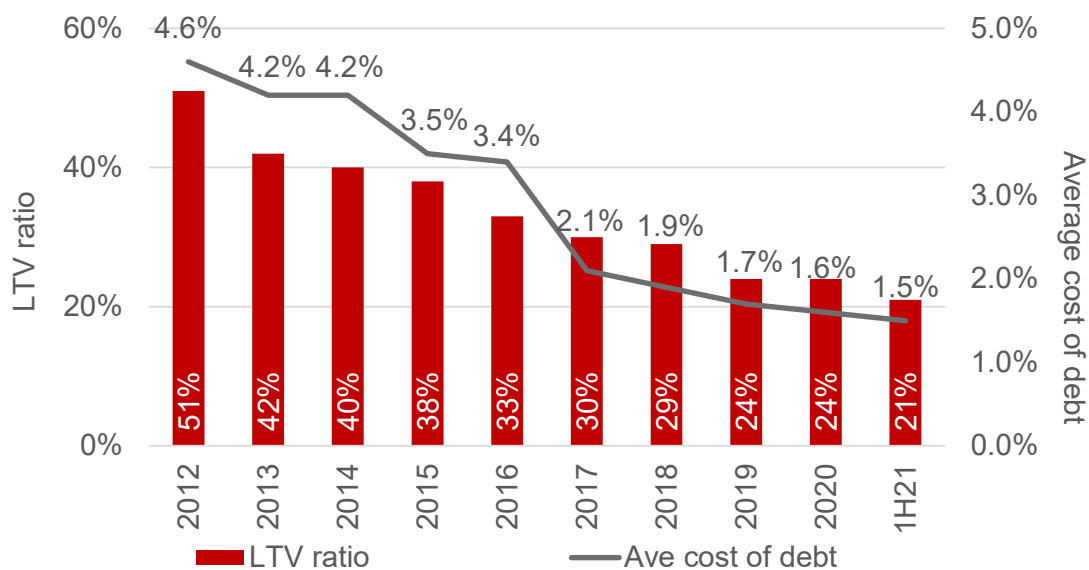
1. Based on gross debt, excluding commitment fees and non-cash interest.

2. Net rental income/adjusted net finance costs (before capitalisation).

*Source: the Guarantor*

During May 2021, the Guarantor extended its €1.2 billion of committed bank facilities. These comprise a €1.0 billion syndicated revolving credit facility, provided by a syndicate of eight banks (including several of the Joint Lead Managers or their affiliates), as well as two further €100 million bilateral revolving credit facilities. All credit facilities have a maturity date of May 2026 and are unsecured in nature.

**LTV ratio and average cost of debt (including share of joint ventures) 31 December 2012 to 30 June 2021**

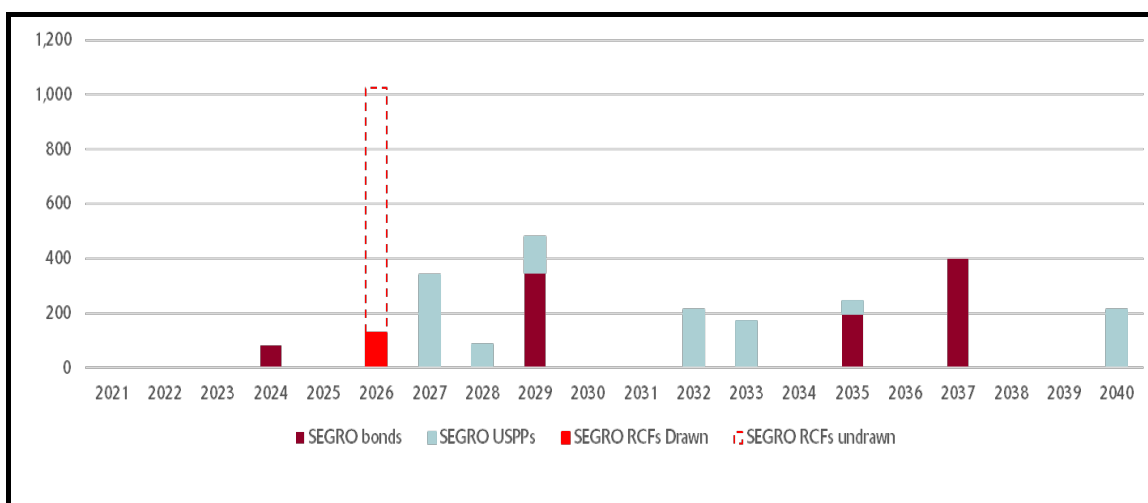


Source: the Guarantor

At 30 June 2021, the Group's weighted average debt maturity was 9.7 years (from 9.9 years at 31 December 2020), including its share of joint venture debt. The debt maturity by type and year is shown below.

*Debt maturity*

**Group debt maturity by type and year, £ millions (based on 30 June 2021)**



Source: the Guarantor (Position as of 30 June 2021. Excludes joint ventures and de minimis secured debts of subsidiary companies.)

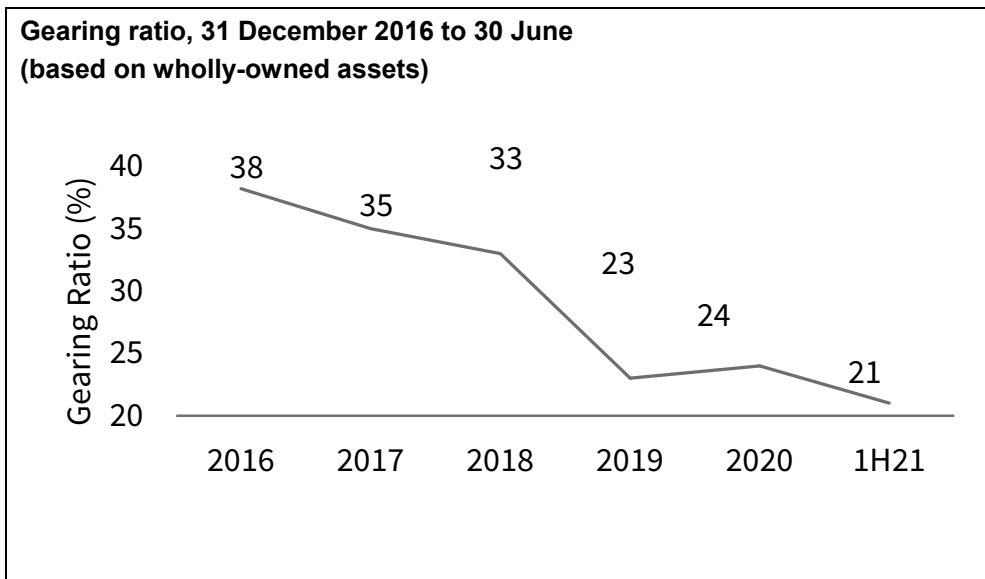
As at 30 June 2021, the Group's weighted average cost of debt was 1.5 per cent. (from 1.7 per cent. at 31 December 2020) and 74 per cent. of the net borrowings of the Group (including its share of joint venture debt) were at fixed rates (from 70 per cent. at 31 December 2020).

At 30 June 2021, the Group had £1 billion of cash and available facilities.

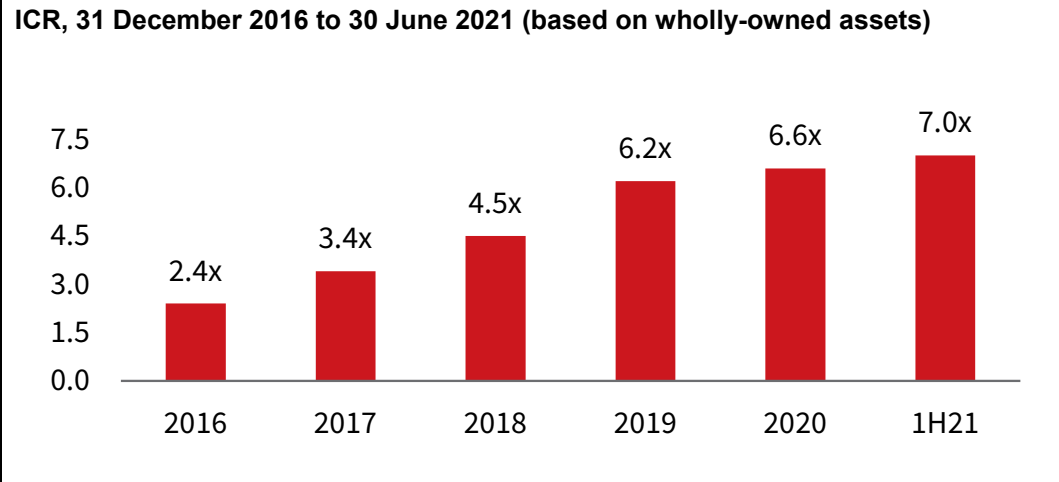
*Financial Covenants on a Group Wholly Owned basis*

The Group's policy is to maintain a Gearing level and an Interest Coverage Ratio at levels consistent with maintaining an investment grade credit rating. The Guarantor has stated that it aims to maintain the Group's Loan to Value ratio at around 30 per cent., taking into account the Group's investment plans. At 30 June 2021, the Group's LTV ratio was 21 per cent. (31 December 2020: 24 per cent.). The Guarantor believe this ensures significant headroom to its tightest gearing covenant should property values decline, as well as providing the flexibility to take advantage of investment opportunities which may arise.

The Group's ICR was at 7.0 times at 30 June 2021 compared to 6.6 times at 31 December 2020. The Group's Gearing ratio (in comparison to net assets and net debt) and ICR by year are shown below.



Source: the Guarantor



Source: the Guarantor

### Experienced management team

The board of the Guarantor comprises eight Non-Executive Directors (including the Chairman) and three Executive Directors. Their names and principal functions and principal activities outside the Group, where those are significant, are as follows:

Name	Function	Outside Directorships
Gerald Corbett	Non-Executive Chairman of the Board of Directors and Chairman of the Nomination Committee	Chairman of Marylebone Cricket Club
David Sleath	Chief Executive	Senior Independent Non-Executive Director, Electrocomponents plc Board member, European Public Real Estate Association
Soumen Das	Chief Financial Officer	Independent Non-Executive Director of NEXT plc
Andy Gulliford	Chief Operating Officer	-
Mary Barnard	Independent Non-Executive Director and member of the Nomination Committee and Remuneration Committee	President US Sales, Mondelez International Inc.
Sue Clayton	Independent Non-Executive Director and member of the Nomination Committee	Non-Executive Director, Helical plc Member of the Committee of Management, Hermes Property Unit Trust Chair, Barwood 2017 Property Fund Trustee, Reading Real Estate Foundation

<b>Name</b>	<b>Function</b>	<b>Outside Directorships</b>
Carol Fairweather	Independent Non-Executive Director, Chair of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee	Non-Executive Director, Smurfit Kappa Group plc Trustee, Somerset House Trust
Christopher Fisher	Independent Non-Executive Director, Chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Audit Committee	Director of National Savings and Investments Senior Adviser, Penfida
Martin Moore	Senior Independent Non-Executive Director and a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee	Chairman, BMO Commercial Property Trust Non-Executive Director, Secure Income REIT plc
Simon Fraser	Independent Non-Executive Director and a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee	Senior Independent Director, Derwent London plc, Non-Executive Director, Legal & General Investment Management (Holdings) Ltd, Senior Independent Director, Lancashire Holdings Ltd, Non-Executive Director, Lancashire Syndicates Limited
Linda Yueh	Independent Non-Executive Director and a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee	Non-Executive Director, Rentokil Initial plc, Non-Executive Director, Fidelity China Special Situations plc, Chair, Baillie Gifford's The Schiehallion Fund Ltd, Adviser, UK Board of Trade, Member, Independent Review Panel on Ring-fencing and Proprietary Trading

The business address of Gerald Corbett, David Sleath, Soumen Das, Andy Gulliford, Mary Barnard, Sue Clayton, Carol Fairweather, Christopher Fisher, Martin Moore, Simon Fraser and Linda Yueh is SEGRO plc, 1 New Burlington Place, London, England, W1S 2HR, United Kingdom.

There are no potential conflicts of interest between the duties to the Guarantor of the directors and their private interests and/or other duties.



## GLOSSARY OF KEY TERMS

“AUM”	Assets under management.
“capital expenditure”	Expenditure for additions to properties and acquisitions of investment and trading properties but does not include tenant incentives, letting fees and rental guarantees.
“Continental Europe”	The continuous continent of Europe, excluding surrounding islands.
“Current Development Pipeline”	Development projects which have been approved by the Directors and which were underway at 30 June 2021.
“customer retention rate”	Percentage of income at risk (from break or expiry) during the period which is retained (i.e., because the customer either renews the lease or does not exercise a break option and remains in the existing space, or takes other space provided by the Group). The measure is based on the new headline rent compared to the original headline rent (the new headline rent is zero if the customer does not renew).
“EPRA”	European Public Real Estate Association, the publisher of Best Practice Recommendations intended to make financial statements of public real estate companies in Europe clearer, more transparent and comparable.
“estimated rental value” or “ERV”	The estimated annual market rental value of lettable space as determined biannually by the Group’s valuers. This will normally be different from the rent being paid.
“Gearing”	Gearing is Group net borrowings divided by total shareholders’ equity excluding intangible assets and deferred tax provisions.
“headline rent” and “rent roll”	Annualised cash rental income receivable on a property after expiry of rent free periods.
“hectares” (Ha)	The area of land measurement used in this Prospectus. The conversion factor used, where appropriate, is 1 hectare = 2.471 acres.
“Interest Cover Ratio” or “ICR”	ICR is the ratio of net rental income excluding joint ventures to adjusted net finance costs.
“Loan to Value” or “LTV”	LTV is net borrowings divided by the carrying value of total property assets (investment, owner occupied (if any) and trading properties).
“Near-Term Development Projects”	Development projects which have been approved by the Directors, but which are subject to final pre-let agreements from customers or conditional on being granted planning permission.

“net initial yield”	Passing rent less non-recoverable property expenses such as empty rates, divided by the property valuation plus notional purchasers’ costs. This is in accordance with EPRA’s Best Practices Recommendations Guidelines.
“net true equivalent yield”	The internal rate of return from an investment property, based on the value of the property assuming the current passing rent reverts to ERV and assuming the property becomes fully occupied over time. It assumes that rent is received quarterly in advance.
“passing rent”	The annual cash rental income receivable on a property at the balance sheet date.
“pre-let”	A lease signed with an occupier prior to completion of a development.
“speculative development”	Where a development has commenced prior to a lease agreement being signed in relation to that development.
“square metres” (sq m)	The area of buildings measurements used in this Prospectus.  The conversion factor used, where appropriate, is one square metre = 10.7639 square feet.
“topped-up net initial yield”	Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent free period at the valuation date. This is in accordance with EPRA’s Best Practices Recommendations Guidelines.
“Total Cost Ratio” or “TCR”	TCR reflects the total administration and property operating costs, less management fees including those from joint ventures (which are designed to compensate the Group for management costs incurred in earning those fees), expressed as a percentage of gross rental income (excluding management fees).
“total development cost”	The value of land at commencement of a development plus the capital invested in the development, notional finance costs and any other fees and costs associated with the development.
“weighted average lease length to first break”	The length of unexpired term measured to the first lease break date and to expiry, weighted by headline rent.
“weighted average lease length to expiry” or “WAULT”	The length of unexpired term measured to expiry, weighted by headline rent.

“yield on cost”	The expected gross yield based on the estimated ERV of a development when fully let, divided by the total development cost.
“yield on new money”	The expected gross yield based on the estimated ERV of a development when fully let, divided by the total development cost less the value of the land associated with the development, unless the land was purchased specifically in order to commence development.

## TAXATION

### **Taxation in Luxembourg**

*The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. This information is based on laws, regulations, practice and decisions currently in effect in Luxembourg, which may change in each case. Any of these are subject to change, possibly on a retroactive basis. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local and foreign laws, including Luxembourg tax law, to which they may be subject.*

*Please be aware that the residency concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.*

### **Withholding Tax**

#### *Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders or Couponholders, nor on accrued but unpaid interest in respect of the Notes or Coupons, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

#### *Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the “**Relibi Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders or Couponholders, nor on accrued but unpaid interest in respect of Notes or Coupons, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to, or for the immediate benefit of, an individual beneficial owner who is a resident of Luxembourg, will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes or the Coupons coming within the scope of the Relibi Law would be subject to a withholding tax of 20 per cent.

### **Taxation in the United Kingdom**

If the Guarantor makes any payment in respect of interest on the Notes (or other amounts due under or in respect of the Notes) and this is regarded as having a United Kingdom source for UK tax purposes, such payment may be subject to United Kingdom withholding tax at the basic rate

(currently 20 per cent.), subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption or relief which may apply.

The exemption for “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 (“**ITA 2007**”) may be available, but only if payments made by the Guarantor retain their character as interest paid in respect of the Notes for UK tax purposes (which under current law is not clear).

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “**FATCA**”, a “**foreign financial institution**” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Luxembourg and the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the Notes, such withholding would not apply prior to two years after the date of publication by the Internal Revenue Service of final regulations defining the term “foreign passthru payment”. Noteholders and Couponholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes or Coupons.

### **Common Reporting Standard**

The Organisation for Economic Co-operation and Development (“**OECD**”) has developed a common reporting standard (“**CRS**”) to achieve a comprehensive and multilateral automatic exchange of information on a global basis. A number of jurisdictions (including Luxembourg) signed the OECD’s multilateral competent authority agreement (“**Agreement**”) to automatically exchange information under the CRS.

The CRS requires certain financial institutions to report information regarding certain accounts (which may include the Notes credited to such accounts) to their local tax authority and follow related due diligence procedures. A jurisdiction that has signed the Agreement or another tax sharing information agreement with another jurisdiction may provide this information to that other jurisdiction.

Consequently, Noteholders and Couponholders may be requested to provide certain information and certifications to any financial institutions through which payments on the Notes or Coupons are made. Noteholders and Couponholders should consult their professional advisors on the individual impact of CRS.

### **DAC6 – Mandatory automatic exchange of information in the field of taxation**

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning (“**DAC6**”). DAC6 has been implemented in Luxembourg by the law of 25 March 2020 (the “**DAC 6 Law**”).

More specifically, the reporting obligation will apply to cross-border arrangements that satisfy one or more "hallmarks" provided for in DAC6, some of them being subject to a gateway criterion, known as the “Main Benefit Test” (the “**Reportable Arrangements**”).

In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with the persons that design, market, organize or make available for implementation or manage the implementation of the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called “intermediaries”). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

From 1 January 2021, Reportable Arrangements must be reported within 30 days from the earliest of (i) the day after the Reportable Arrangement is made available for implementation or (ii) the day after the Reportable Arrangement is ready for implementation or (iii) the day when the first step in the implementation of the Reportable Arrangement has been made.

The information reported will be automatically exchanged between the tax authorities of all Member States.

In light of the broad scope of DAC6 and DAC 6 Law, transactions carried out by the Issuer may fall within the scope of DAC6 and DAC 6 Law and thus be reportable.

## SUBSCRIPTION AND SALE

The Joint Lead Managers have, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated 20 September 2021, agreed to subscribe or procure subscribers for the Notes at the issue price of 99.119 per cent. of their principal amount upon the terms and subject to the conditions contained therein. The Issuer will pay a commission to the Joint Lead Managers and will reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### United Kingdom

#### *Prohibition of sales to UK Retail Investors*

Each Joint Lead Manager has represented and warranted that:

- (a) it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus in relation thereto to any “retail investor” in the UK. For the purposes of this section:
- (b) the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

The expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### *Other regulatory restrictions*

Each Joint Lead Manager has represented and warranted that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

#### **Prohibition of sales to EEA Retail Investors**

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any “retail investor” in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

The expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### **Switzerland**

Each Joint Lead Manager has acknowledged that this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. Each Joint Lead Manager has represented and agreed that the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has been or will be



made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (*Act No. 25 of 1948, as amended* (the “**FIEA**”)) and each Joint Lead Manager has represented and agreed that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (*Act No. 228 of 1949, as amended*)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, a resident of Japan except pursuant to an exemption from registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Korea**

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act (“**FSCMA**”). Each Joint Lead Manager has represented and agreed that it has not offered, sold or delivered, directly or indirectly, in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Law) for the period of one year from the date of issuance of the Notes, except (i) to or for the account or benefit of a Korean resident which falls within certain categories of "professional investors" as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Notes are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied, or (ii) as otherwise permitted under applicable Korean laws and regulations.

## **General**

No action has been or will be taken in any country or any jurisdiction by any of the Joint Lead Managers, the Issuer or the Guarantor that would, or is intended to, permit a public offer of the Notes, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

## GENERAL INFORMATION

### Authorisation

The Issuer and the Guarantor have obtained all necessary consents, approvals and (in the case of the Issuer) authorisations in Luxembourg in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the board of Managers of the Issuer, passed on 25 June 2021, and the giving of the Guarantee was duly authorised by a resolution of a meeting of the board of directors of the Guarantor passed on 15 June 2021 and a resolution of a committee of the board of directors of the Guarantor passed on 6 September 2021.

### Listing of Notes

Application has been made to the FCA for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the Market. Such listing and admission to trading is expected to occur on or about 23 September 2021 subject only to the issue of the Temporary Global Note in respect of the Notes.

The Issuer estimates that the total expenses related to the admission to trading will be approximately £5,800.

### Indication of Yield

Based upon an issue price of 99.119 per cent. of the principal amount of the Notes, the yield of the Notes for the period from (and including) the Issue Date to (but excluding) 22 September 2031, is 0.591 per cent. per annum. The yield is calculated at the Issue Date and is not an indication of future yield.

### Documents Available

For so long as the Notes are outstanding (as defined in the Trust Deed), digital copies of the following documents will be available to view online at [https://www.segro.com/investors/debt/overview?sc\\_lang=en](https://www.segro.com/investors/debt/overview?sc_lang=en) and, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), physical copies will be available for inspection at the registered offices of each of the Issuer (35-37, avenue de la Liberté, L-1931 Luxembourg), the Guarantor (1 New Burlington Place, London W1S 2HR) and the office of the Principal Paying Agent (Citigroup Centre, Canary Wharf, London E14 5CB):

- (i) the articles of association (*statuts*) of the Issuer;
- (ii) the Articles of Association of the Guarantor;
- (iii) the 2019 Annual Report and the 2020 Annual Report;
- (iv) the most recently published audited annual financial statements of the Issuer and the Guarantor and the most recently published unaudited interim financial statements (if any) of the Issuer and the Guarantor, in each case together with any audit or review reports prepared in connection therewith;

- (v) the Agency Agreement, the Trust Deed and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (vi) a copy of this Prospectus; and
- (vii) any future offering circulars, prospectuses, information memoranda, supplements to this Prospectus, and any other documents incorporated herein or therein by reference.

Copies of this Prospectus and any documents incorporated by reference in this Prospectus will also be available for viewing on the following websites: (i) the website of the Regulatory News Service operated by the London Stock Exchange (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>); and (ii) the website of the Guarantor ([www.segro.com](http://www.segro.com)).

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Notes is XS2360041474 and the Common Code is 236004147. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

The CFI Code and the FISN Code for this issue will be as set out on the website of the Association of National Numbering Agencies (“ANNA”), as updated, or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

### **Significant or Material Change**

There has been no significant change in the financial performance or financial position of the Issuer since its incorporation. There has been no material adverse change in the prospects of the Issuer since its incorporation.

There has been no significant change in the financial performance or financial position of the Guarantor or the Group since 30 June 2021. There has been no material adverse change in the prospects of the Guarantor or the Group since 31 December 2020.

### **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), since the date of its incorporation which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware), nor have there been such proceedings in the 12 months preceding the date of this Prospectus, which may have or have in such period had a significant effect on the financial position or profitability of the Guarantor and/or the Group.

### **Material Contracts**

There are no material contracts entered into other than in the ordinary course of the Issuer's or the Guarantor's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes, or the Guarantor's ability to meet its obligations under the Guarantee.

### **Interests of natural and legal persons involved in the issue**

Save for any fees payable to the Joint Lead Managers, so far as the Issuer and the Guarantor are aware, no person involved in the issue of the Notes has an interest material to the offer.

### **Language**

The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### **Auditors**

PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, United Kingdom audited the Guarantor's consolidated accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for the financial years ended on 31 December 2019 and 2020. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants of England and Wales. PricewaterhouseCoopers LLP has no material interest in the Guarantor or the Issuer.

### **Trustee's reliance on Auditors' certificates and/or reports**

The Trust Deed provides that the Trustee may rely on certificates and/or reports from Auditors (as defined therein) or any other expert in accordance with the Trust Deed whether or not such certificate or report or any engagement letter or other document entered into by the Trustee and the Auditors or such other expert in connection therewith contains any limit on the liability of the Auditors or such other expert.

### **Joint Lead Managers transacting with the Issuer and the Guarantor**

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantor and their respective affiliates in the ordinary course of business.

In the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor and/or their respective affiliates. Where the Joint Lead Managers or their affiliates have a lending relationship with the Issuer, the Guarantor and/or their respective affiliates they may routinely hedge their credit exposure to those entities consistent with their customary risk management policies. Typically, the Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially

the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**THE ISSUER**

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Grand Duchy of Luxembourg

**THE GUARANTOR**

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United Kingdom

**THE TRUSTEE**

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**PRINCIPAL PAYING AGENT**

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*To the Joint Lead Managers and the Trustee*

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*as to Luxembourg law*  
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**AUDITORS TO THE GUARANTOR**

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**JOINT LEAD MANAGERS**

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**NatWest Markets Plc**  
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