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FOR IMMEDIATE RELEASE

6 May 2021

FIRM CASH OFFER

BY

VIRGATA SERVICES LIMITED

FOR

WALLS & FUTURES REIT PLC

Publication and posting of Offer Document

On 8 April, Virgata Services Limited ("**Virgata**") announced the terms of its firm cash offer ("**Offer**") to acquire the entire issued and to be issued ordinary share capital of Walls & Futures REIT plc ("**Walls & Futures**").

Further to that announcement, Virgata is pleased to announce that the offer document ("**Offer Document**") is today being published by the company with a form of acceptance ("**Form of Acceptance**").

Offer Summary

- Under the terms of the Offer, which will be subject to the Conditions and further terms to be set out in the Offer Document, Walls & Futures' Shareholders will be entitled to receive:

for each Walls & Futures Share: 50 pence in cash

- The Offer values the entire issued ordinary share capital of Walls & Futures at approximately £1.9 million and represents a material premium of approximately:
 - 42.9 per cent. to the Closing Bid Price of 35 pence per Walls & Futures Share on 7 April 2021, being the last Business Day before the commencement of the Offer Period; and
 - 25 per cent. to the Closing Mid Price of 40 pence per Walls & Futures Share on 7 April 2021, being the last Business Day before the commencement of the Offer Period.
- The Offer Document and Form of Acceptance will be posted to Walls & Futures Shareholders today, with the first closing time and date of the Offer at 1.00 p.m. on 27 May 2021
- 10 June 2021 is the earliest date on which the Offer is expected to become or declared unconditional in all respects

Why Virgata believes Walls & Futures Shareholders should accept the Offer

Summary

- Your Directors tell you to reject the Offer because it is below the calculated net asset value of the Company

Unfortunately, the net asset value is not relevant to you as a Walls & Futures Shareholder as you can only sell your Walls & Futures Shares at the market Bid Price, a price that has traded at a significant, and increasing, discount to the net asset value

- The ongoing operating costs of Walls & Futures (cost of sales and administrative expenses) far exceed the net rental income received by the Company each year. In the year ended 31 March 2020, net rental income was £138,036, whilst the cost of sales and administrative expenses was £289,011 (of which Directors salaries were £108,000)

As a result of costs exceeding income, Virgata believes that Walls & Futures needs to spend cash from property sales, or sell properties, to fund the ongoing costs of the Company

- Your Directors have proved unable to attract enough new capital to scale the business

Virgata believes Walls & Futures needs investment to scale the business. At IPO, and more recently, your Directors have targeted fundraises of, in aggregate, over £3.0 million, but have only raised just over £1.3 million.

Your Directors rejected a £2.0 million investment from Virgata.

The Offer

The Offer provides Walls & Futures Shareholders the opportunity of receiving 50 pence in cash (with no transaction fees) for each Walls & Futures Share held.

Your Directors have stated that the Offer is at a material discount to the unaudited net asset value of the Company, as reported on 27 April 2021, which Virgata does not dispute.

However, this figure is unfortunately not relevant to you as a Walls & Futures Shareholder as your shares cannot be sold at this price and, to date, Virgata believes your Directors have set out no credible path or strategy to narrow the gap between what you can sell your shares for in the market and Walls & Futures' published net asset value. Without the Offer from Virgata, the options open to Walls & Futures Shareholders are to either sell your shares at the market Bid Price or retain your shares in a Company that has paid no dividends since IPO and whose share price has consistently declined.

Virgata would urge Walls & Futures Shareholders to read in detail the section of the Offer Document titled "Why Virgata believes Shareholders should accept the Offer" on pages 7 to 13. This provides key information around the performance of your Directors and why Virgata believes it is in a Walls & Futures Shareholder's best interests to accept the 50 pence cash offer made by Virgata.

Some of the key information set out includes:

Net Asset Value

At IPO in 2016, Walls & Futures acquired a portfolio of three (3) properties worth in aggregate £2.18 million. Since 2016, the Directors have sold two of these three properties at a total of £169,000 LESS than their market values at IPO.

- 234 Durnsford Road sold for £656,000 (before costs), £79,000 LESS than the £735,000 market value at IPO; and
- 54 Elsenham Street (Upper Floor Flat) sold for £660,000 (before costs), £90,000 LESS than the £750,000 market value at IPO.

The Company now has three properties, the minimum required to retain REIT status. To retain REIT status, Virgata believes the Company must acquire another property, before being able to dispose of 54 Elsenham Street (Ground Floor Flat).

As the Company confirmed on 27 April 2021, cash at 31 March 2021 was £658,468, however, each year since IPO, the net property income of the Company is materially lower than the operating costs of the Company.

If the Company had the same level of cash outflows from operations in the year to 31 March 2022 as it did for the year to 31 March 2020 (the latest publicly available figure), the estimated cash left in the Company at 31 March 2022 would be £488,783. This is less than the total amounts spent on either the Stroud property (£676,667) or the Didcot property (£657,314).

As a result, Virgata believes that the Directors cannot scale the business without borrowing money or issuing more Walls & Futures Shares. As a result, Virgata believes net property income will continue to be less than the operating costs of the Company.

Inability to raise capital to scale the Company

The Directors targeted a £2.0 million fundraise at IPO, however, only raised £1.03 million. In February 2018 the Directors targeted a fundraise of £1.05 million, however, only raised £0.30 million.

On 6 April 2021, Virgata offered to invest £2.0 million at 50 pence per Walls & Futures Share, a 15 pence premium to the Closing Bid Price on that date, but your Directors rejected the proposal without discussion. This injection of cash would have provided significant scale to Walls & Futures and would have provided your Company with more available cash than it has raised, in aggregate, since the IPO.

Poor operational performance

Over the Review Period the Directors have substantially overspent, with total net property income of £422,215, compared to Director Payments of £420,010 and the total cash outflow from operations being £755,920.

i.e. there are significantly more costs in the business than net property income.

In the year ended 31 March 2020, the Company generated net property income of £138,036 compared to total cost of sales and administrative expenses of £289,011.

i.e. net property income needs to rise by 109% i.e. more than double, to break even

Significant underperformance of the Shares and a lack of liquidity

Following the IPO, the Directors stated that;

“Our target is to deliver a long-term annual net return of 7 - 9% of which 3 - 4% will be paid in the form of a dividend.”

The Walls & Futures share price at IPO was 100 pence compared to the Closing Bid Price on 7 April 2021, the last Business Day before the commencement of the Offer Period, of 35 pence. That is 65 pence LOWER.

To add to which, the Company has paid £0 dividends since IPO, despite targeting a 3-4% yield.

In fact, the total value of shares traded (excluding direct placings) since the IPO and up to 7 April 2021, being the last Business Day prior to the commencement of the Offer Period is £335,622 – that is less than the Directors Payments over the same period of £420,010.

Since IPO, the Directors (and persons closely associated with them) have acquired a total of 114,350 Walls & Futures Shares at a total cost of £81,206. The Executive Directors, despite each being paid £50,000 per annum, have acquired, in total £29,912 of Walls & Futures Shares.

If Walls & Futures Shares are so significantly undervalued, why have the Directors not acquired more Walls & Futures Shares?

Virgata believes, that your Directors have offered no credible plan or strategy to scale your Company, generate a profit from operations, pay a dividend or close the gap between the Walls & Futures share price and the net asset value, as a result,

Virgata urges Walls & Futures Shareholders to review in detail the Offer Document and Form of Acceptance, before then accepting the Offer.

Action to be taken

To accept the Offer in respect of Walls & Futures Shares held in uncertificated form (i.e. in CREST), Walls & Futures Shareholders should follow the procedure for Electronic Acceptance through CREST so that the Transfer to Escrow (TTE) instruction settles as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 27 May 2021. If Walls & Futures Shareholders hold any Walls & Futures Shares through a CREST sponsored member, they should contact their CREST sponsor as only their CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

To accept the Offer in respect of Walls & Futures Shares held in certificated form, Walls & Futures Shareholders must complete the Form of Acceptance in accordance with the instructions set out in the Offer Document and on the Form of Acceptance. The completed, signed and (where applicable) witnessed Form of Acceptance must be returned, together with relevant document(s) of title for their Walls & Futures Shares, to the Receiving Agent, Neville Registrars, at Neville House, Steelpark Road, Halesowen, B62 8HD by post or (if between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales)) by hand as soon as possible and in any event so as to be received by no later than 1.00 p.m. (London time) on 27 May 2021.

Full instructions on how to accept the Offer are set out in the Offer Document and (for holders of Walls & Futures Shares in certificated format) the Form of Acceptance.

Copies of the Offer Document and the Form of Acceptance will be available on Virgata's website at <https://www.virgatagroup.com/westminster> and Walls & Futures' website at <https://reit.wallsandfutures.com/investors/>. Further copies of the Offer Document and the Form of Acceptance may be obtained (by Walls & Futures Shareholders) by contacting Neville Registrars during business hours on +44 (0)121 585 1131 or by submitting a request in writing to the Registrar at Neville Registrars, Neville House, Steelpark Road, Halesowen, B62 8HD.

Words and expressions defined in the Offer Document shall, unless the context provides otherwise, have the same meanings in this announcement.

For further information, please contact:

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Important notice related to financial adviser

Cairn Financial Advisers LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Virgata and for no one else in connection with the Offer or any matters referred to in this announcement and will not be responsible to anyone other than Virgata for providing the protections afforded to its clients nor for providing advice in relation to the Offer, the contents of this announcement or any other matters referred to in this announcement.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

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

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

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

Publication on websites

A copy of this announcement and the display documents required to be published pursuant to Rule 26.1 and 26.2 of the Code will be made available, free of charge and subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Virgata's website at www.virgatagroup.com/westminster by no later than 12.00 noon (London time) on the business day following the release of this announcement.

For the avoidance of doubt, neither the contents of such website nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this announcement.

In accordance with Rule 30.3 of the Code, a person so entitled may request a hard copy of this announcement, free of charge, by contacting Neville Registrars Limited on 0121 585 1131 (+44 (0) 121 585 1131). For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. In accordance with Rule 30.3 of the Code, a person so entitled may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form.

Overseas jurisdictions

The distribution of this announcement in jurisdictions other than the United Kingdom and the ability of Walls & Futures' Shareholders who are not resident in the United Kingdom to participate in the Offer may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or Walls & Futures' Shareholders who are not resident in the United Kingdom will need to inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Further details in relation to overseas Walls & Futures' Shareholders will be contained in the Offer Document.

The Offer is not being, and will not be, made available, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality of interstate or foreign commerce of, or any facility of a national state or other securities exchange of, any Restricted Jurisdiction unless conducted pursuant to an exemption from the applicable securities laws of such Restricted Jurisdiction.

Accordingly, copies of this announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction except pursuant to an exemption from the applicable securities laws of such Restricted Jurisdiction and persons receiving this announcement (including, without limitation, agents, nominees, custodians and trustees) must not distribute, send or mail it in, into or from such jurisdiction. Any person (including, without limitation, any agent, nominee, custodian or trustee) who has a contractual or legal obligation, or may otherwise intend, to forward this announcement and/or the Offer Document and/or any other related document to a jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

Forward-looking statements

This announcement may contain certain "forward-looking statements" with respect to Virgata Walls & Futures and/or the Walls & Futures Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'will', 'may', 'should', 'would', 'could' or other words or terms of similar meaning or the negative thereof. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Virgata or the Walls & Futures Group and potential synergies resulting from the Acquisition; and (iii) the expected timing and scope of the Acquisition.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or developments to differ materially from those expressed in, or implied by, such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding present and future strategies and environments. You are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this announcement. All subsequent oral or written forward-looking statements attributable to Virgata, Walls & Futures and/or the Walls & Futures Group or any person acting on their behalf (respectively) are expressly qualified in their entirety by the cautionary statement above. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement. Virgata, Walls & Futures and/or the Walls & Futures Group assume no obligation to update publicly or revise forward-looking or other statements contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

Rounding

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

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Virgata or Walls & Futures, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Virgata or Walls & Futures, as appropriate.

Information relating to Walls & Futures' Shareholders

Walls & Futures' Shareholders should be aware that addresses, electronic addresses and certain other information provided by Walls & Futures' Shareholders and other relevant persons for the receipt of communications from Walls & Futures may be provided to Virgata during the Offer Period as required under Section 4 of Appendix 4 to the Code.

Bases and sources of information

1. The valuation of Walls & Futures property portfolio at IPO has been extracted from the independent valuation report produced by John D Wood and incorporated into the admission document, dated 28 July 2016
2. The disposal proceeds of £656,000 (before costs) for 234 Durnsford Road has been extracted from the Walls & Future RNS announcement dated 12 June 2020
3. The disposal proceeds of £660,000 (before costs) for 54 Elsenham Street (Upper Floor Flat) has been extracted from the Walls & Future RNS announcement dated 8 January 2021
4. The Company's cash balance of £658,468 has been extracted from the Walls & Futures RNS announcement dated 27 April 2021
5. The projected cash balance of Walls & Futures at 31 March 2022 of £488,783 has been calculated by subtracting the operating cash outflow of the Company (extracted from the annual report and accounts of the Company for the 12 months ended 31 March 2020 (£169,685)) from the stated cash balance at 31 March 2021 of £658,468
6. The total amount spent by the Company on the Stroud property of £676,667 was extracted from the Company's annual report and accounts for the 12 months ended 31 March 2018, being the "Cash flows from investing activities" relating to the "Purchase of investment property"
7. The total amount spent by the Company on the Didcot property of £657,314 was extracted from the Company's annual report and accounts for the 12 months ended 31 March 2020, being the "Cash flows from investing activities" relating to the "Purchase of investment property"
8. The Directors targeted fundraising at IPO of £2.0 million is extracted from the IPO admission document dated 28 July 2016 and the actual amount raised is extracted from the Walls & Futures RNS announcement dated 29 November 2016
9. The Directors targeted fundraising in February 2018 of £1.05 million is extracted from the Walls & Futures RNS announcement dated 13 February 2018 and the actual amount raised is an aggregate of the initial close fundraising of £222,603 announced on 4 April 2018 and the extended deadline fundraising of £80,080 announced on 23 May 2018
10. Net property income over the Review Period is the summation of the net property income generated by the Company and disclosed in each of the annual report and accounts of the Company during the Review Period
11. Director Payments over the Review Period is the summation of the total amounts paid to the directors of Walls & Futures (being Mr J McTaggart, Mr D White and Mr P Wylie), including social security costs paid by the Company, as well as payments made to Wigmore Jones Limited (a company whose two directors, per Companies House, are Mr J McTaggart and Mrs H McTaggart), as disclosed in the annual report and accounts of Walls & Futures for the Review Period
12. Total cash generated (or the total cash outflow) from operations is the summation of "Cash generated from operations" extracted from the annual report and accounts of the Company for the Review Period
13. The following statement "Our target is to deliver a long-term annual net return of 7 - 9% of which 3 - 4% will be paid in the form of a dividend." was contained in "The Note to Editors" statement in Walls & Futures Final Results for the period ended 31 March

2017 RNS announcements released on 29 August 2017 and subsequent announcements. It was not contained in the Final Results for the Year to 31 March 2019 RNS announcement released on 20 August 2019 or any announcement after that date

- 14. Total dividends paid of £0 has been calculated by aggregating the total dividends declared figures from the annual report and accounts of Walls & Futures for the Review Period*
- 15. The total value of Walls & Futures Shares traded (excluding direct placings) between the IPO and 7 April 2021, being the last Business Day prior to the commencement of the Offer Period, has been calculated by multiplying the volume of Walls & Futures Shares traded by the transaction price, as disclosed on the Aquis Stock Exchange website <https://www.aquis.eu/aquis-stock-exchange/for-investors/trades?securityid=qse=WAFR>*
- 16. The total number and value of shares acquired by the Directors (and persons closely associated with them) and the total shares acquired by the Executive Directors has been calculated from figures extracted from Walls & Futures Directors Dealings RNS announcements dated 2 February 2017, 17 February 2017, 26 April 2017, 13 September 2017, 4 June 2019, 12 February 2020 and 8 January 2021*
- 17. The Executive Directors' salaries of £50,000 each per annum has been extracted from the IPO admission document dated 28 July 2016*
- 18. Financial information relating to Walls & Futures has been extracted from the audited financial statements of Walls & Futures for the financial years ended 31 March 2017, 31 March 2018, 31 March 2019 and 31 March 2020.*
- 19. References to the value of the Offer for the whole of the issued ordinary share capital of Walls & Futures are based on the 3,755,086 Walls & Futures Shares in issue at close of business on the Latest Practicable Date (5 May 2021) and the Offer Price of 50 pence per Walls & Futures Share.*