

RNS Number : 3022X  
Hansteen Holdings plc  
18 December 2019

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014**

**FOR IMMEDIATE RELEASE**

**18 December 2019**

**RECOMMENDED CASH ACQUISITION**

**of**

**Hansteen Holdings PLC**

**by**

**Potter UK Bidco Limited ("Bidco") a newly-formed company indirectly owned by investment funds advised by affiliates of The Blackstone Group Inc. ("Blackstone")**

**to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006**

**Summary**

- The boards of Bidco and Hansteen Holdings PLC ("**Hansteen**") are pleased to announce that they have agreed the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Hansteen by Bidco (the "**Acquisition**").
- The Acquisition is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Acquisition, Scheme Shareholders shall be entitled to receive:

<b>for each Scheme Share:</b>	<b>116.5 pence in cash</b>
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- The Cash Consideration represents a premium of approximately:
  - o 10.3 per cent. to the closing price per Hansteen Share of 105.6 pence on 17 December 2019 (being the latest practicable date prior to publication of this Announcement);
  - o 18.1 per cent. to the volume weighted average price per Hansteen Share of 98.7 pence for the three-month period ended 17 December 2019 (being the latest practicable date prior to publication of this Announcement); and

- o 11.6 per cent. to the 30 June 2019 EPRA NAV per share of 104.4 pence and 11.7 per cent. to the 30 June 2019 IFRS NAV per share of 104.3 pence. The Scheme Document will contain an updated portfolio valuation in respect of the Hansteen Group's property portfolios as at 31 December 2019 reported on in accordance with Rule 29 of the Takeover Code.

- The Acquisition values the entire issued and to be issued ordinary share capital of Hansteen at approximately £500 million on a fully diluted basis.
- If any dividend and/or other distribution and/or other return of capital is authorised, declared, made or paid in respect of Hansteen Shares on or after the date of this Announcement, Bidco reserves the right to reduce the Acquisition Price by the aggregate amount of such dividend and/or other distribution and/or other return of capital.

## Information on Hansteen

- Hansteen was founded and launched on AIM in 2005 by the Joint Chief Executives Morgan Jones and Ian Watson. Hansteen is a UK-REIT group that invests in urban multi-let industrial property. The strategy is to look for investments that will create a high-yielding industrial property portfolio as well as other more opportunistic and management-intensive acquisitions which, although lower-yielding, will provide greater potential for capital growth. It seeks to produce sustainable growth in rental income and occupancy through intense asset management initiatives which should lead to increased values. Hansteen then aims to realise and distribute these profits to shareholders over the property cycle.
- As at the latest practicable date prior to the publication of this Announcement, Hansteen had a market capitalisation of £451 million and, as at 30 June 2019, had net assets of £443.4 million and a net asset value per ordinary share of Hansteen in issue at the time of 104.3 pence (104.4 pence calculated in accordance with EPRA guidelines).

## Hansteen recommendation

- The Hansteen Directors, who have been so advised by Peel Hunt as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Hansteen Directors, Peel Hunt has taken into account the commercial assessments of the Hansteen Directors.
- Accordingly, the Hansteen Directors intend to recommend unanimously that Hansteen Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting as the Hansteen Directors have irrevocably undertaken to do in respect of their own beneficial holdings (and those of certain of their connected persons) in respect of which they control the voting rights amounting to 23,432,928 Hansteen Shares representing, in aggregate, approximately 5.5 per cent. of the ordinary share capital of Hansteen in issue on 17 December 2019 (being the latest practicable date prior to publication of this Announcement).

## Irrevocable undertakings

- Bidco has received irrevocable undertakings from each of the Hansteen Directors to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting in respect of their own beneficial holdings (and those of their connected persons) in respect of which they control the voting rights amounting to 23,432,928 Hansteen Shares, representing approximately 5.5 per cent. of Hansteen's issued ordinary share capital at close of business on 17 December 2019 (being the latest practicable date prior to publication of this Announcement).

## Information on Blackstone and Bidco

- Bidco is a wholly-owned indirect subsidiary of investment funds advised by affiliates of Blackstone and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition. Blackstone is one of the world's leading investment firms. Blackstone's investment businesses include the management of real estate funds, private equity funds, credit-oriented funds, hedge fund solutions, and closed-ended mutual funds. Blackstone was founded in 1985 by Stephen A. Schwarzman, its current Chairman and CEO, and the late Peter G. Peterson (who retired from Blackstone in 2008). Jon Gray serves as Blackstone's President and Chief Operating Officer and was formerly Blackstone's Global Head of Real Estate from 2005 to 2018. Hamilton ("Tony") James serves as Blackstone's Executive

Vice Chairman.

- In June 2007, Blackstone completed its initial public offering on the New York Stock Exchange and trades under the symbol "BX".
- Information about Blackstone, including certain ownership, governance, and financial information, is disclosed in Blackstone's periodic filings with the U.S. Securities and Exchange Commission ("**SEC**"), which can be obtained from Blackstone's website at [www.Blackstone.com](http://www.Blackstone.com) or the SEC's website at [www.sec.gov](http://www.sec.gov). Follow Blackstone on Twitter@Blackstone.
- The Blackstone Real Estate group was established in 1991 and is one of the largest private equity real estate investment manager in the world today with over \$157 billion of investor capital under management (as of 30 September 2019) through its opportunistic, core+, and debt strategy businesses.

## Timetable and Conditions

- The Acquisition will be put to Hansteen Shareholders at the Court Meeting and at the General Meeting. In order to become effective, the Scheme must be approved by a majority in number of the Scheme Shareholders voting at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Scheme Shares voted. In addition, a special resolution implementing the Scheme must be passed by Hansteen Shareholders representing at least 75 per cent. of votes cast at the General Meeting.
- The Acquisition is subject to the further conditions and terms set out in Appendix I to this Announcement. It is expected that, subject to the satisfaction of all such relevant conditions, the Scheme will become effective during the first quarter of 2020.
- The Scheme Document, containing further information about the Acquisition, including an updated portfolio valuation reported on in accordance with Rule 29 of the Code, and notices of the Court Meeting and the General Meeting, together with the Forms of Proxy, shall be published as soon as practicable. The Court Meeting and the General Meeting are expected to be held in early February 2020.

Commenting on the Acquisition, Ian Watson and Morgan Jones, Hansteen's Joint Chief Executives, said:

*"We founded Ashtenne in 1989, floated the business in 1997 and successfully sold it in 2005. Throughout the life of the business we regarded our shareholders and ourselves in a joint enterprise to build and ultimately crystallise the value we created. Following that successful realisation, in early 2005 we floated Hansteen to create a similar business to Ashtenne, firstly in continental Europe and, as values fell, in the UK as well. Many Ashtenne shareholders followed us into Hansteen and have remained with us since. Again our philosophy has been to work with our shareholders, who supported six successful fundraisings, enabling us to acquire opportunity rich properties in the early stage of the cycle. This included acquiring the core of Ashtenne's team and properties.*

*Over the last few years we have been crystallising much of the value created, returning substantial capital and making high returns for shareholders. The offer from Blackstone is a continuation and conclusion of that strategy and we believe provides a highly satisfactory outcome for our shareholders and employees. We have given irrevocable undertakings to vote in favour of Blackstone's offer in relation to our own shareholdings."*

Commenting on the Acquisition, James Seppala, Head of Blackstone Real Estate Europe, said:

*"This transaction is a compelling opportunity to expand our pan-European last-mile logistics real estate company, Mileway, in the U.K. and it is testament to our long-term belief in investing in the country. We look forward to working with Hansteen's team to support the growing demand for last mile logistics real estate across the UK in the years to come."*

***This summary should be read in conjunction with, and is subject to, the full text of this Announcement including its Appendices.***

***The Acquisition shall be subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and conditions which shall be set out in the Scheme Document. Appendix II to this Announcement contains the sources of information and bases of calculations of certain information contained in this summary and this Announcement, Appendix III contains a summary of the irrevocable undertakings received in relation to this Acquisition and Appendix IV contains definitions of certain***

**expressions used in this summary and in this Announcement.**

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Simpson Thacher & Bartlett LLP is retained as legal adviser to Blackstone and Bidco. Jones Day is retained as legal adviser to Hansteen.

**Important Notice**

*N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Blackstone and Bidco and for no one else in connection with the subject matter of this Announcement and will not be responsible to anyone other than Blackstone and Bidco for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this Announcement.*

*Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Hansteen and for no one else in connection with the Acquisition and/or any other matter referred to in this Announcement and will not be responsible to anyone other than Hansteen for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this Announcement, or another other matters referred to in this Announcement.*

*This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise. The Acquisition shall be made solely by means of the Scheme Document which shall contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.*

*This Announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

*Hansteen shall prepare the Scheme Document to be distributed to Hansteen Shareholders. Hansteen and Bidco urge Hansteen Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.*

**Overseas Shareholders**

*The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom or the United States may be restricted by law and/or regulations. Persons who are not resident in the United Kingdom or the United States or who are subject to the laws and regulations of other jurisdictions should inform themselves of, and observe, any applicable requirements.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from such jurisdictions where to do so would violate the laws in those jurisdictions. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), such Takeover Offer may not be made available directly or indirectly, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction.*

*The availability of the Acquisition to Hansteen Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Scheme Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements, as any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Financial Conduct Authority and the Listing Rules. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*This Announcement does not constitute a prospectus or prospectus equivalent document.*

### **Additional Information for US Investors**

*The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which are different from the disclosure requirements of the US under the US Exchange Act. The financial information included in this Announcement and the Scheme documentation has been or will have been prepared in accordance with accounting standards applicable in the UK and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.*

*If Bidco were to elect to implement the Acquisition by means of a Takeover Offer, such Takeover Offer would be made in compliance with applicable US laws and regulations, including to the extent applicable Section 14(e) of the US Exchange Act and Regulation 14E thereunder, and in accordance with the Takeover Code. Such a takeover would be made in the United States by Bidco and no one else. Accordingly, the Acquisition would be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.*

*The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Hansteen Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.*

*It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Hansteen is located in a country other than the US, and all of its officers and directors are residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*In accordance with normal UK practice and consistent with Rule 14e-5(b) under the US Exchange Act, Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Hansteen outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including to the extent applicable the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Peel Hunt and its affiliates will continue to act as an exempt principal trader in Hansteen securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.*

### **Forward Looking Statements**

*This Announcement (including information incorporated by reference in the Announcement), oral statements made regarding the Acquisition, and other information published by Bidco and Hansteen contain certain forward-looking statements, beliefs or opinions, with respect to the financial condition, results of operations and business of Bidco and Hansteen. 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", "envisage", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Hansteen, and/or Bidco, in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given by Hansteen and Bidco that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. Neither Hansteen nor Bidco assumes any obligation and Hansteen and Bidco disclaim any intention or obligation, to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation (including under the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA).*

**EXCEPT AS EXPRESSLY PROVIDED IN THE ANNOUNCEMENT, THE FORWARD-LOOKING STATEMENTS HAVE NOT BEEN REVIEWED BY THE AUDITORS OF HANSTEEN, BLACKSTONE OR BIDCO OR THEIR RESPECTIVE FINANCIAL ADVISERS. SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD SIGNIFICANTLY AFFECT EXPECTED RESULTS AND ARE BASED ON CERTAIN KEY ASSUMPTIONS. THERE ARE SEVERAL FACTORS WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN FORWARD-LOOKING STATEMENTS. AMONG THE FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS IS THE SATISFACTION OF THE CONDITIONS, AS WELL AS ADDITIONAL FACTORS SUCH AS CHANGES IN GLOBAL, POLITICAL, ECONOMIC, BUSINESS, COMPETITIVE, MARKET AND REGULATORY FORCES, FUTURE EXCHANGE AND INTEREST RATES, CHANGES IN TAX RATES AND FUTURE BUSINESS COMBINATIONS OR DISPOSITIONS. SUCH FORWARD LOOKING STATEMENTS SHOULD THEREFORE BE CONSTRUED IN THE LIGHT OF SUCH FACTORS. NEITHER BIDCO NOR HANSTEEN, NOR ANY OF THEIR RESPECTIVE ASSOCIATES OR DIRECTORS, OFFICERS OR ADVISERS, PROVIDES ANY REPRESENTATION, ASSURANCE OR GUARANTEE THAT THE OCCURRENCE OF THE EVENTS EXPRESSED OR IMPLIED IN ANY FORWARD-LOOKING STATEMENTS IN THIS ANNOUNCEMENT WILL ACTUALLY OCCUR.**

### **No Profit Forecasts, Estimates or Quantified Benefits Statements**

*No statement in this Announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Hansteen for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Hansteen.*

## **Disclosure Requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. 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 Takeover Code, any person who is, or becomes, interested in 1 per cent. 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(s), 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 Panel's website at [www.thetakeoverpanel.org.uk](http://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.*

## **Electronic Communications**

*Please be aware that addresses, electronic addresses and certain information provided by Hansteen Shareholders, persons with information rights and other relevant persons for the receipt of communications from Hansteen may be provided to Bidco during the offer period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

## **Publication on Website and Availability of Hard Copies**

*A copy of this Announcement and the documents required to be published by Rule 26 of the Takeover Code shall be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Hansteen's website at [www.hansteen.co.uk/investors](http://www.hansteen.co.uk/investors) by no later than 12 noon (London time) on 19 December 2019. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this Announcement.*

*You may request a hard copy of this Announcement by contacting Hansteen between 9:30 a.m. and 5:00 p.m. (London time) Monday to Friday (public holidays excepted) on 020 7408 7000 (or on +44 20 7408 7000 from outside the UK). Calls to this number are charged at national rates or, in the case of calls from outside the UK, at the applicable international rate. Calls from a mobile device may incur network extras. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this documents will not be provided unless such a request is made.*

## **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.*

### **Rule 2.9 Disclosure**

*In accordance with Rule 2.9 of the Takeover Code, Hansteen confirms that as at the date of this Announcement, it has in issue and admitted to trading on the main market of the London Stock Exchange 427,302,372 ordinary shares of 10 pence each (excluding ordinary shares held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00B0PPFY88.*

### **General**

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*



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18 December 2019

## RECOMMENDED CASH ACQUISITION

of

**Hansteen Holdings PLC**

by

**Potter UK Bidco Limited ("Bidco") a newly-formed company indirectly owned by investment funds advised by affiliates of The Blackstone Group Inc. ("Blackstone")**

**to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006**

### 1. Introduction

The boards of Bidco and Hansteen Holdings PLC ("**Hansteen**") are pleased to announce that they have agreed the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Hansteen by Bidco (the "**Acquisition**").

The Acquisition is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

### 2. The Acquisition

- Under the terms of the Acquisition, which shall be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document, Scheme Shareholders who are on the register of members of Hansteen at the Scheme Record Time shall be entitled to receive:

**for each Scheme Share: 116.5 pence in cash**

- The Cash Consideration represents a premium of approximately:
  - o 10.3 per cent. to the closing price per Hansteen Share of 105.6 pence on 17 December 2019 (being the latest practicable date prior to publication of this Announcement);
  - o 18.1 per cent. to the volume weighted average price per Hansteen Share of 98.7 pence for the three-month period ended 17 December 2019 (being the latest practicable date prior to publication of this Announcement); and
  - o 11.6 per cent. to the 30 June 2019 EPRA NAV per share of 104.4 pence and 11.7 per cent. to the 30 June 2019 IFRS NAV per share of 104.3 pence. The Scheme Document will contain an updated portfolio valuation in respect of the Hansteen Group's property portfolios as at 31 December 2019 reported on in accordance with Rule 29 of the Takeover Code.

The Acquisition values the entire issued and to be issued ordinary share capital of Hansteen at approximately £500

million on a fully diluted basis.

If any dividend and/or other distribution and/or other return of capital is authorised, declared, made or paid in respect of Hansteen Shares on or after the date of this Announcement, Bidco reserves the right to reduce the Acquisition Price by the aggregate amount of such dividend and/or other distribution and/or other return of capital.

It is expected that the Scheme Document will be published as soon as reasonably practicable and, in any event, within 28 days of the date of this Announcement (unless Hansteen and Bidco otherwise agree, and the Panel consents, to a later date) and that the Court Meeting and the General Meeting will be held in early February 2020. It is expected that, subject to the satisfaction of all relevant conditions, the Scheme will become effective during the first quarter of 2020.

### **3. Background to and reasons for the Acquisition**

Blackstone is a global leader in real estate investing with \$157 billion of investor capital under management (as of 30 September 2019). Blackstone believes that Hansteen, as a leading owner of urban industrial and logistics assets, would be a complementary addition to Blackstone's pan-European last mile logistics real estate company, Mileway.

### **4. Recommendation**

The Hansteen Directors, who have been so advised by Peel Hunt as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Hansteen Directors, Peel Hunt has taken into account the commercial assessments of the Hansteen Directors.

Accordingly, the Hansteen Directors intend to recommend unanimously that Hansteen Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting as the Hansteen Directors have irrevocably undertaken to do in respect of their own beneficial holdings (and those of their connected persons) in respect of which they control the voting rights amounting to 23,432,928 Hansteen Shares representing, in aggregate, approximately 5.5 per cent. of the ordinary share capital of Hansteen in issue on 17 December 2019 (being the latest practicable date prior to publication of this Announcement).

### **5. Background to and reasons for the recommendation**

The Hansteen Board believes that the Acquisition is in the best interests of Hansteen Shareholders taken as a whole. In reaching its conclusion, the Hansteen Board considered the following in particular:

- the terms of the Acquisition in relation to the value and prospects of Hansteen's business;
- that the cash consideration being offered by Blackstone represents the premia to both share price and net asset value as set out in paragraph 2 above;
- the impact of the Acquisition on all of Hansteen's stakeholders, including, in particular, the importance of the employees of Hansteen to Blackstone's future strategy, with the Acquisition being made by the same team at Blackstone that acquired Hansteen's Continental European portfolio in 2017;
- that the Acquisition provides Hansteen Shareholders with the opportunity to receive full cash value for their Hansteen Shares now.

The Hansteen Board believes the Acquisition is a continuation and conclusion of the Company's strategy. In 2005 Ashtenne Holdings plc ("**Ashtenne**"), the industrial property company which the Hansteen Joint Chief Executives founded in 1989 and floated on the Main Market of the London Stock Exchange in 1997, was sold. Their stewardship of that business was successful, with shareholders receiving net returns equivalent to an annual rate of return in excess of 20 per cent. per annum. The business strategy was one of buying properties at a low point in the cycle with low rates of occupancy and low rents and adding value through asset management and realising the investment at a higher point in the cycle. Following the sale of Ashtenne, they believed there was an opportunity to repeat this in Continental Europe, where yields were still much higher than the UK, occupancy and rents were low and there was limited competition. The Hansteen strategy at the time of its IPO on the Alternative Investment Market in November 2005 was to assemble a portfolio of industrial properties in Continental Europe and look to invest in the UK when the Company perceived that real value had returned.

A large number of the acquisitions made by Hansteen took place between 2009 and 2013. These were largely distressed portfolios which were acquired at high yields and with high vacancy rates, following which the Company

focused on adding value through asset management before realising value at a higher point in the cycle. As a result of substantial sales of assets, the Company returned £578.1 million (which represented approximately 51% of Hansteen's equity market capitalisation) to shareholders in November 2017 and £145 million in May 2018 (which represented approximately 27% of Hansteen's equity market capitalisation at that time).

The Company has continued to demonstrate the success of this strategy. Occupier demand for urban industrial and logistic properties is currently strong. It is a sector that reflects the economy generally and requires more intensive management than other sectors due to its granular nature. As at 30 June 2019, Hansteen owned a predominantly UK urban multi-let industrial property portfolio of £646.9 million with a contracted rent roll of £50.1 million which has generated high returns for Shareholders.

The above strategy has generated strong value growth for Shareholders. Based on the 116.5 pence per share offer, the last one, three, five and ten years total shareholder returns (as measured by share price growth and dividends reinvested) are 34.5 per cent. per annum, 19.5 per cent. per annum, 15.4 per cent. per annum and 13.2 per cent. per annum respectively on a compound annual growth rate basis. The Hansteen Board believes that crystallising the returns at this level is in the best interests of Shareholders.

As such, the Hansteen Board intends to recommend unanimously that Hansteen Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting.

## **6. Irrevocable undertakings**

Bidco has received irrevocable undertakings from each of the Hansteen Directors to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting in respect of their own beneficial holdings (and those of certain of their connected persons) in respect of which they control the voting rights amounting to 23,432,928 Hansteen Shares, representing approximately 5.5 per cent. of Hansteen's issued ordinary share capital at close of business on 17 December 2019 (being the latest practicable date prior to publication of this Announcement).

Further details of the irrevocable undertakings are set out in Appendix III.

## **7. Information on Blackstone and Bidco**

Bidco is a wholly-owned indirect subsidiary of investment funds advised by affiliates of Blackstone and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition. Blackstone is one of the world's leading investment firms. Blackstone's investment businesses include the management of real estate funds, private equity funds, credit-oriented funds, hedge fund solutions, and closed-ended mutual funds. Blackstone was founded in 1985 by Stephen A. Schwarzman, its current Chairman and CEO, and the late Peter G. Peterson (who retired from Blackstone in 2008). Jon Gray serves as Blackstone's President and Chief Operating Officer and was formerly Blackstone's Global Head of Real Estate from 2005 to 2018. Hamilton ("Tony") James serves as Blackstone's Executive Vice Chairman.

Through its different investment businesses, Blackstone has total assets under management of over \$554 billion as of September 30, 2019. This comprises \$157 billion of investor capital in real estate funds, \$174 billion in private equity funds, \$142 billion in credit businesses and \$81 billion in hedge fund solutions.

In June 2007, Blackstone completed its initial public offering on the New York Stock Exchange and trades under the symbol "BX."

Information about Blackstone, including certain ownership, governance, and financial information, is disclosed in Blackstone's periodic filings with the U.S. Securities and Exchange Commission ("SEC"), which can be obtained from Blackstone's website at [www.blackstone.com](http://www.blackstone.com) or the SEC's website at [www.sec.gov](http://www.sec.gov).

Over the past 28 years, Blackstone has built one of the largest real estate private equity businesses in the world today with \$157 billion of investor capital under management (as of September 30, 2019). Blackstone Real Estate operates around the globe with investments and people in North America, Europe, and Asia. The team seeks to generate attractive risk-adjusted returns for our investors across cycles and over the long term. The Blackstone Real Estate platform encompasses investments across the risk spectrum from opportunistic to core+ to debt.

## **8. Information on Hansteen**

Hansteen was founded and launched on AIM in 2005 by the Joint Chief Executives Morgan Jones and Ian Watson. Hansteen is a UK-REIT group that invests in urban multi-let industrial property. The strategy is to look for investments that will create a high-yielding industrial property portfolio as well as other more opportunistic and management-intensive acquisitions which, although lower-yielding, will provide greater potential for capital growth. It seeks to produce sustainable growth in rental income and occupancy through intense asset management initiatives which should lead to increased values. Hansteen then aims to realise and distribute these profits to shareholders over the property cycle.

As at the latest practicable date prior to the publication of this Announcement, Hansteen had a market capitalisation of £451 million and, as at 30 June 2019, had net assets of £443.4 million and a net asset value per ordinary share of Hansteen in issue at the time of 104.3 pence (104.4 pence calculated in accordance with EPRA guidelines).

## **9. Directors, management, employees, research and development and locations**

In September 2019, Blackstone launched a pan-European last mile logistics real estate platform, Mileway, which focuses primarily on owning and operating last mile logistics assets across major European jurisdictions. The UK is Mileway's largest market.

Bidco intends to integrate Hansteen into the Mileway platform following completion of the Acquisition.

### ***Employees and management***

Bidco recognises the positive impact the existing management and employees of Hansteen have had on the success of Hansteen and believes that such employees will continue to be key in supporting the growth of Hansteen. In the first three months following completion of the Acquisition, Bidco intends to conduct a review of the Hansteen business to assess the extent of any organisational and structural changes required to central functions following the Acquisition including as a result of the cancellation of the trading of Hansteen Shares on the Official List and the re-registration of Hansteen as a private company.

Bidco does not intend to initiate any material headcount reductions within the current Hansteen organisation as a result of the review and any employees affected will be treated in a manner consistent with Blackstone's high standards, culture and practices. Following completion of the Acquisition, Bidco expects employees of Hansteen to continue to contribute to the success of Hansteen within the Mileway platform.

It has been agreed the members of Hansteen's Senior Management Team and Hansteen's executive Directors will be leaving the business with effect from completion of the Acquisition. Hansteen's Non-Executive Directors intend to resign as directors with effect from completion of the Acquisition.

### ***Existing rights and pensions***

Bidco confirms that, following the Scheme becoming effective, the existing contractual and statutory employment rights, including in relation to pensions, of all Hansteen management and employees will be fully safeguarded in accordance with applicable law and contractual requirements. Hansteen does not have a defined benefit pension scheme.

Bidco does not intend to make any material change to the conditions of employment of employees of Hansteen. Bidco does not intend for there to be any material change in the balance of skills and functions of the employees or management of Hansteen.

The Acquisition will affect participants in the Hansteen Share Plans, further details of which are set out in paragraph 10 below. The existing rights of those participants will be fully safeguarded in accordance with applicable law and contractual requirements.

### ***Incentivisation arrangements***

Bidco has not entered into, and has not had any discussions on proposals to enter into, any form of incentivisation arrangements with members of management of Hansteen. Bidco does not intend to have any such discussions prior to completion of the Acquisition.

### ***Locations, headquarters and research and development***

As set out above, Bidco intends to integrate Hansteen into the pan-European Mileway platform.

The Mileway platform global headquarters is in Amsterdam and Bidco intends that the Hansteen headquarters will, in the context of Hansteen's integration into and contribution towards Mileway's broader UK asset base, remain in London. Bidco has no intention to redeploy Hansteen's fixed asset base. Hansteen has no research and development function and Bidco has no plans in this regard.

### ***Trading facilities***

Hansteen is currently listed on the Official List and, as set out in paragraph 14 below, subject to the Scheme becoming effective, an application will be made to the London Stock Exchange to cancel the admission to trading of Hansteen Shares and to the FCA for the cancellation of the listing of the Hansteen Shares on the Official List and to re-register Hansteen as a private company.

### ***Annual bonus***

Bidco has agreed that bonus determinations for the 2019 financial year will be undertaken by the remuneration committee of Hansteen, in accordance with Hansteen's remuneration policy and consistent with its normal practice, with payment being made on or before the Effective Date. On the basis of the current anticipated Effective Date, Bidco has also acknowledged and agreed that bonus determinations for the 2020 financial year will be made conditional upon the Acquisition becoming effective in accordance with its terms and will be calculated as a time pro-rated amount of the bonus determined for the 2019 financial year, with payment also being made on or before the Effective Date.

### ***Transaction bonuses***

Bidco has agreed that in recognition of the services provided by certain key employees, Hansteen may pay cash transaction bonuses, conditional upon the Acquisition becoming effective in accordance with its terms, to employees, who are not Hansteen Directors.

### ***Severance arrangements***

Bidco has agreed that where the employment of any employee of the Hansteen Group, including the executive Hansteen Directors, is terminated with effect from the Effective Date, or within a period of twelve months from the Effective Date (other than by reason of their gross misconduct), Hansteen or Bidco will provide, or procure that a member of the Hansteen Group provides, termination benefits to each such employee that are no less favourable than those to which such employee would have been contractually entitled if the termination of employment had occurred immediately prior to the date of the Announcement. In this context, and in recognition of the desire to treat all the executive Hansteen Directors equally, in the case of the termination of the employment of Richard Lowes as a Hansteen Director, Bidco has further agreed to provide, or procure the provision of, an additional sum equal to his annual bonus entitlement for the twelve month period immediately preceding the termination of his employment.

The appointments of the non-executive Hansteen Directors will terminate on the Effective Date and they will each be entitled to a compensation payment of a quarter of their total annual fee for serving on the Hansteen board and each Hansteen board committee.

### ***Director and officer indemnification and liability insurance***

Bidco has also agreed that, if and to the extent such obligations are permitted by applicable law, for six years after the Effective Date, it shall procure that the members of the Hansteen Group honour and fulfil their respective obligations (if any) existing as at the date of this Announcement to indemnify their respective directors and officers and to advance expenses, in each case with respect to matters existing or occurring at or prior to the Effective Date. In addition, Bidco has agreed that Hansteen may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the Hansteen Group, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date provided that such insurance cover shall provide cover, in terms of amount and breadth, substantially the same as that provided under the Hansteen Group's directors' and officers' liability insurance in force as at the date of this Announcement. Bidco has agreed that any such insurance cover shall not be terminated, withdrawn or adversely modified until the expiration of the applicable runoff period.

No statements in this paragraph 9 are post-offer undertakings for the purposes of Rule 19.5 of the Takeover Code.

## ***Views of Hansteen's board***

In considering the recommendation of the Acquisition to Hansteen Shareholders, the Hansteen Directors have given due consideration to Bidco's intentions for the business, management, employees and locations of business of Hansteen.

The Hansteen Directors welcome Bidco's intention that, following completion of the Acquisition, the existing contractual and statutory employment rights, including in relation to pensions, of all Hansteen management and employees will be fully safeguarded in accordance with applicable law.

## **10. Hansteen Share Plans**

Following publication of the Scheme Document, participants in Hansteen Share Plans will be contacted separately regarding the effect of the Acquisition on their rights under Hansteen Share Plans. In accordance with Rule 15 of the Takeover Code, Bidco will make appropriate proposals to plan participants in due course and details of these proposals will be set out in the Scheme Document, and letters will be sent to participants in the Share Plans.

The Acquisition will apply to any Hansteen Shares which are unconditionally allotted, issued or transferred to satisfy the vesting of awards or the exercise of options under the Hansteen Share Plans prior to the Scheme Record Time.

Hansteen will operate the Hansteen Share Plans in accordance with the rules of the relevant plan. In accordance with Hansteen's normal practice, Hansteen does not intend to grant any new awards under the Hansteen Performance Share Plan before the current anticipated Effective Date, but awards which are unvested may vest subject to meeting the relevant performance conditions and be exercisable for a limited time after the Court Hearing and any unvested awards will lapse immediately prior to the Scheme Record Time. Awards of shares will continue to be granted under the Hansteen Share Incentive Plan at the current monthly intervals until the Effective Date. It is expected that the Hansteen articles of association will be amended so that any shares issued in satisfaction of options exercised or awards granted under the Hansteen Share Plans following the Scheme Record Time will be automatically transferred to Bidco or as Bidco directs.

## **11. Financing**

The cash consideration payable by Bidco under the terms of the Acquisition will be funded from equity to be invested by Blackstone Funds.

In accordance with Rule 2.7(d) of the Takeover Code, Rothschild & Co, as sole financial adviser to Bidco, is satisfied that sufficient resources are available to Bidco to satisfy in full the cash consideration payable to Hansteen Shareholders under the terms of the Acquisition.

## **12. Offer-related Arrangements**

### ***Confidentiality Agreement***

Blackstone Real Estate Services L.L.C. and Hansteen entered into a confidentiality agreement on 20 November 2019 (the "**Confidentiality Agreement**") pursuant to which Blackstone Real Estate Services L.L.C. has undertaken to keep confidential certain information related to the Acquisition and to Hansteen or any of its connected persons and not to disclose it to third parties (other than to permitted recipients) unless required by law or regulation. These confidentiality obligations shall remain in force until the first to occur of (a) the consummation of the Acquisition or (b) two years from the date of the Confidentiality Agreement.

The Confidentiality Agreement also contains undertakings from Blackstone Real Estate Services L.L.C. that, for a period of one year from the date of the Confidentiality Agreement, it shall not approach certain employees of Hansteen nor employ or otherwise engage certain employees of Hansteen.

Blackstone Real Estate Services L.L.C. has also agreed to customary standstill arrangements pursuant to which Blackstone Real Estate Services L.L.C. has agreed that it will not, without the recommendation of the Board of Directors of Hansteen, acquire Hansteen Shares or any interest in any Hansteen Shares. These restrictions fall away immediately following the making of this Announcement.

### ***Co-operation Agreement***

Bidco and Hansteen have also entered into the Co-Operation Agreement whereby Bidco has agreed with Hansteen that certain matters described in paragraphs 9 (in relation to annual bonus, transaction bonuses, severance arrangements, and directors and officer indemnification and liability insurance), 10 (in relation to the operation of the Hansteen Share Plans) and 17 (only in relation to any Switch) of this Announcement will be implemented or, as appropriate, operated in accordance with the terms of those paragraphs.

### 13. Structure of and Conditions to the Acquisition

It is intended that the Acquisition shall be effected by means of a Court-approved scheme of arrangement between Hansteen and the Scheme Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued ordinary share capital of Hansteen. This is to be achieved by the transfer of the Scheme Shares to Bidco, in consideration for which the Scheme Shareholders who are on the register of members of Hansteen at the Scheme Record Time shall receive Cash Consideration on the basis set out in paragraph 2 of this Announcement.

The Scheme is subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document and the Forms of Proxy and will only become effective if, among other things, the following events occur on or before the Long Stop Date or such later date as may be agreed in writing by Bidco and Hansteen (with the Panel's consent and as the Court may approve (if such approval(s) are required)):

- (i) the approval of the Scheme by a majority in number of the Scheme Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders;
- (ii) the Resolutions required to implement the Scheme being duly passed by Hansteen Shareholders representing 75 per cent. or more of votes cast at the General Meeting;
- (iii) the approval of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Hansteen and Bidco); and
- (iv) the delivery of a copy of the Court Order to the Registrar of Companies.

The Scheme shall lapse if:

- the Court Meeting and the General Meeting are not held by the 22nd day after the expected date of such meetings as will be set out in the Scheme Document (or such later date as may be agreed between Bidco and Hansteen, with the Panel's consent);
- the Court Hearing to approve the Scheme is not held by the 22nd day after the expected date of such hearing as will be set out in the Scheme Document (or such later date as may be agreed between Bidco and Hansteen, with the Panel's consent); or
- the Scheme does not become effective by the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Hearing to approve the Scheme as set out above may be waived by Bidco, and the deadline for the Scheme to become effective may be extended by agreement between Hansteen and Bidco (with the Panel's consent and as the Court may approve (if such consent and/or approval is required)).

Upon the Scheme becoming effective, it shall be binding on all Hansteen Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Further details of the Scheme, including an indicative timetable for its implementation, shall be set out in the Scheme Document, which will specify the necessary actions to be taken by Hansteen Shareholders. It is expected that the Scheme Document and the Forms of Proxy accompanying the Scheme Document will be published as soon as practicable and, in any event, within 28 days of this Announcement (unless Hansteen and Bidco otherwise agree, and the Panel consents, to a later date) and that the Court Meeting and the General Meeting will be held in early February 2020. The Scheme Document and Forms of Proxy will be posted to all Hansteen Shareholders and, for information only, to persons with information rights and to holders of options granted under the Hansteen Share Plans as soon as practicable, at no charge to them.

## **14. De-listing and re-registration**

Prior to the Scheme becoming effective, Hansteen shall make an application for the cancellation of the listing of Hansteen Shares on the Official List and for the cancellation of trading of the Hansteen Shares on the London Stock Exchange's market for listed securities, in each case to take effect from or shortly after the Effective Date. The last day of dealings in Hansteen Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers shall be registered after 6.00 p.m. on that date.

On the Effective Date, share certificates in respect of Hansteen Shares shall cease to be valid and entitlements to Hansteen Shares held within the CREST system shall be cancelled.

It is also proposed that, following the Effective Date and after its shares are delisted, Hansteen shall be re-registered as a private limited company. It is proposed, as part of the application to the Court in connection with the Scheme, to seek an order of the Court pursuant to Section 651 of the Companies Act to re-register Hansteen as a private limited company.

## **15. Dividends**

If any dividend and/or other distribution and/or other return of capital is authorised, declared, made or paid in respect of Hansteen Shares on or after the date of this Announcement, Bidco reserves the right to reduce the Acquisition Price by the aggregate amount of such dividend and/or other distribution and/or other return of capital in which case the relevant eligible Hansteen Shareholders will be entitled to receive and retain such dividend and/or distribution and/or other return of capital.

If any such dividend and/or other distribution and/or other return of capital is paid or made by Hansteen after the date of this Announcement and Bidco exercises its rights described above, any reference in this Announcement to the Acquisition Price payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

## **16. Disclosure of interests in Hansteen**

Save in respect of the irrevocable undertakings referred to in paragraph 6 above, as at the close of business on 17 December 2019 (being the latest practicable date prior to publication of this Announcement), neither Bidco, nor any of its directors nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with it has: (i) any interest in or right to subscribe for any relevant securities of Hansteen; (ii) any short positions in respect of relevant securities of Hansteen (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; (iii) any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code, in relation to the relevant securities of Hansteen; nor (iv) borrowed or lent any relevant securities of Hansteen (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), save for any borrowed shares which had been either on-lent or sold.

"relevant securities of Hansteen" means Hansteen Shares or securities convertible or exchangeable into Hansteen Shares.

"Interests in securities" for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an "interest" by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

It has not been possible for Bidco to make enquiries of all of its concert parties in advance of the release of this Announcement. Therefore, if Bidco becomes aware, following the making of such enquiries, that any of its concert parties have any such interests in relevant securities of Hansteen, all relevant details in respect of Bidco's concert parties will be included in Bidco's Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code.

## **17. General**

Bidco reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer (a "**Switch**") in the following circumstances:

- (i) with the consent of Hansteen;
- (ii) if the Scheme lapses or is withdrawn;
- (iii) if the Hansteen Board Recommendation is withdrawn or adversely modified or qualified; or
- (iv) if a third party not acting in concert with Blackstone or Bidco announces a firm intention to make an offer for all the issued and to be issued ordinary share capital of Hansteen.

In the event of a Switch:

- (i) the acceptance condition that will apply to the Takeover Offer shall be determined by Bidco after (to the extent necessary) consultation with the Panel, being in any case more than 50 per cent. of the Hansteen Shares, and Bidco shall ensure that the only conditions of the Takeover Offer shall be the conditions set out in Appendix 1 Part A to this Announcement (subject to replacing Condition 1 therein with the acceptance condition referred to above). In all other respects, in the event of a Switch, the Acquisition shall be implemented on substantially the same terms, so far as applicable, as those which would apply to a Scheme, subject to appropriate modifications or amendments which may be required by the Panel or which are necessary as a result of such Switch; and
- (ii) Bidco shall ensure that the Takeover Offer remains open for acceptances for at least 21 days following the Takeover Offer becoming or being declared unconditional in all respects.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to: (i) apply to the London Stock Exchange for the cancellation of trading of the Hansteen Shares on the London Stock Exchange's market for listed securities and (ii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Hansteen Shares in respect of which the Takeover Offer has not been accepted.

The Acquisition shall be made subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document. The bases and sources of certain financial information contained in this Announcement are set out in Appendix II to this Announcement. A summary of the irrevocable undertakings given in relation to the Acquisition is contained in Appendix III to this Announcement. Certain terms used in this Announcement are defined in Appendix IV to this Announcement.

The Acquisition is governed by the laws of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in Appendix I and to be set out in the Scheme Document. The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.

Rothschild & Co and Peel Hunt have each given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

## **18. Documents available on website**

Copies of the following documents shall be made available, subject to certain restrictions relating to persons residing in Restricted Jurisdictions, on Hansteen's website at [www.hansteen.co.uk/investors](http://www.hansteen.co.uk/investors) until the end of the Acquisition:

- €€€€€€€€€€€€€€€€ this Announcement;

- the irrevocable undertakings referred to in paragraph 6 above and summarised in Appendix III to this Announcement;
- the Confidentiality Agreement;
- the Co-Operation Agreement; and
- the consents from financial advisers to being named in this Announcement.

Neither the contents of the websites referred to in this Announcement nor the contents of any website accessible from hyperlinks is incorporated in, or forms part of, this Announcement.

**Enquiries:**

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Simpson Thacher & Bartlett LLP is retained as legal adviser to Blackstone and Bidco. Jones Day is retained as legal adviser to Hansteen.

**Important Notice**

*N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Blackstone and Bidco and for no one else in connection with the subject matter of this Announcement and will not be responsible to anyone other than Blackstone and Bidco for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this Announcement.*

*Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Hansteen and for no one else in connection with the Acquisition and/or any other matter referred to in this Announcement and will not be responsible to anyone other than Hansteen for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this Announcement, or another other matters referred to in this Announcement.*

*This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise. The Acquisition shall be made solely by means of the Scheme Document which shall contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be*

*made only on the basis of the information contained in the Scheme Document.*

*This Announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

*Hansteen shall prepare the Scheme Document to be distributed to Hansteen Shareholders. Hansteen and Bidco urge Hansteen Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.*

## **Overseas Shareholders**

*The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom or the United States may be restricted by law and/or regulations. Persons who are not resident in the United Kingdom or the United States or who are subject to the laws and regulations of other jurisdictions should inform themselves of, and observe, any applicable requirements.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from such jurisdictions where to do so would violate the laws in those jurisdictions. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), such Takeover Offer may not be made available directly or indirectly, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction.*

*The availability of the Acquisition to Hansteen Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Scheme Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements, as any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Financial Conduct Authority and the Listing Rules. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*This Announcement does not constitute a prospectus or prospectus equivalent document.*

## **Additional Information for US Investors**

*The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which are different from the disclosure requirements of the US under the US Exchange Act. The financial information included in this Announcement and the Scheme documentation has been or will have been prepared in accordance with accounting standards applicable in the UK and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.*

*If Bidco were to elect to implement the Acquisition by means of a Takeover Offer, such Takeover Offer would be made in compliance with applicable US laws and regulations, including to the extent applicable Section 14(e) of the US Exchange Act and Regulation 14E thereunder, and in accordance with the Takeover Code. Such a takeover would be made in the United States by Bidco and no one else. Accordingly, the Acquisition would be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.*

*The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Hansteen Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.*

*It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Hansteen is located in a country other than the US, and all of its officers and directors are residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*In accordance with normal UK practice and consistent with Rule 14e-5(b) under the US Exchange Act, Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Hansteen outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including to the extent applicable the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Peel Hunt and its affiliates will continue to act as an exempt principal trader in Hansteen securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.*

## **Forward Looking Statements**

*This Announcement (including information incorporated by reference in the Announcement), oral statements made regarding the Acquisition, and other information published by Bidco and Hansteen contain certain forward-looking statements, beliefs or opinions, with respect to the financial condition, results of operations and business of Bidco and Hansteen. 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", "envisage", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Hansteen, and/or Bidco, in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given by Hansteen and Bidco that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. Neither Hansteen nor Bidco assumes any obligation and Hansteen and Bidco disclaim any intention or obligation, to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation (including under the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA).*

**EXCEPT AS EXPRESSLY PROVIDED IN THE ANNOUNCEMENT, THE FORWARD-LOOKING STATEMENTS HAVE NOT BEEN REVIEWED BY THE AUDITORS OF HANSTEEN, BLACKSTONE OR BIDCO OR THEIR RESPECTIVE FINANCIAL ADVISERS. SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD SIGNIFICANTLY AFFECT EXPECTED RESULTS AND ARE BASED ON CERTAIN KEY ASSUMPTIONS. THERE ARE SEVERAL FACTORS WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN FORWARD-LOOKING STATEMENTS. AMONG THE FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS IS THE SATISFACTION OF THE CONDITIONS, AS WELL AS ADDITIONAL FACTORS SUCH AS CHANGES IN GLOBAL, POLITICAL, ECONOMIC, BUSINESS, COMPETITIVE, MARKET AND REGULATORY FORCES, FUTURE EXCHANGE AND INTEREST RATES, CHANGES IN TAX RATES AND FUTURE BUSINESS COMBINATIONS OR DISPOSITIONS.**

**SUCH FORWARD LOOKING STATEMENTS SHOULD THEREFORE BE CONSTRUED IN THE LIGHT OF SUCH FACTORS. NEITHER BIDCO NOR HANSTEEN, NOR ANY OF THEIR RESPECTIVE ASSOCIATES OR DIRECTORS, OFFICERS OR ADVISERS, PROVIDES ANY REPRESENTATION, ASSURANCE OR GUARANTEE THAT THE OCCURRENCE OF THE EVENTS EXPRESSED OR IMPLIED IN ANY FORWARD-LOOKING STATEMENTS IN THIS ANNOUNCEMENT WILL ACTUALLY OCCUR.**

### **No Profit Forecasts, Estimates or Quantified Benefits Statements**

No statement in this Announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Hansteen for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Hansteen.

### **Disclosure Requirements of the Takeover Code**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. 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 Takeover Code, any person who is, or becomes, interested in 1 per cent. 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(s), 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 Panel's website at [www.thetakeoverpanel.org.uk](http://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.

### **Electronic Communications**

Please be aware that addresses, electronic addresses and certain information provided by Hansteen Shareholders, persons with information rights and other relevant persons for the receipt of communications from Hansteen may be provided to Bidco during the offer period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

### **Publication on Website and Availability of Hard Copies**

*A copy of this Announcement and the documents required to be published by Rule 26 of the Takeover Code shall be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Hansteen's website at [www.hansteen.co.uk/investors](http://www.hansteen.co.uk/investors) by no later than 12 noon (London time) on 19 December 2019. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this Announcement.*

*You may request a hard copy of this Announcement by contacting Hansteen between 9:30 a.m. and 5:00 p.m. (London time) Monday to Friday (public holidays excepted) on 020 7408 7000 (or on +44 20 7408 7000 from outside the UK). Calls to this number are charged at national rates or, in the case of calls from outside the UK, at the applicable international rate. Calls from a mobile device may incur network extras. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this documents will not be provided unless such a request is made.*

### **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.*

### **Rule 2.9 Disclosure**

*In accordance with Rule 2.9 of the Takeover Code, Hansteen confirms that as at the date of this Announcement, it has in issue and admitted to trading on the main market of the London Stock Exchange 427,302,372 ordinary shares of 10 pence each (excluding ordinary shares held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00B0PPFY88.*

### **General**

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*

## APPENDIX I

### CONDITIONS AND FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

#### Part A: Conditions to the Scheme and the Acquisition

The Acquisition shall be conditional upon the Scheme becoming unconditional and effective in accordance with the terms, subject to the Takeover Code, by not later than 11:59 p.m. on the Long Stop Date.

1. The Scheme becoming effective shall be subject to the following conditions:

1.1.

- (i) its approval by a majority in number of the Scheme Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders; and
- (ii) such Court Meeting being held on or before the 22nd day after the expected date of such meeting as set out in the Scheme Document (or such later date as may be agreed by Bidco and Hansteen and the Court may allow);

1.2.

- (i) the resolutions required to implement the Scheme as set out in the notice of the General Meeting being duly passed by Hansteen Shareholders representing 75 per cent. or more of votes cast at the General Meeting; and
- (ii) such General Meeting being held on or before the 22nd day after the expected date of such meeting as set out in the Scheme Document (or such later date as may be agreed by Bidco and Hansteen and the Court may allow); and

1.3.

- (i) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Hansteen and Bidco) and the delivery of a copy of the Court Order to the Registrar of Companies; and
- (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing as set out in the Scheme Document (or such later date as may be agreed by Bidco and Hansteen and the Court may allow).

2. In addition, subject as stated in Part B below and to the requirements of the Panel, the Acquisition shall be conditional upon the following Conditions and, accordingly, the Court Order shall not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

#### Notifications, Waiting periods and Authorisations

- (a) all material filings, applications and/or material notifications which are necessary under applicable legislation or regulation of any relevant jurisdiction having been made and all relevant waiting periods and other time periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated and all applicable statutory or regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition or, except pursuant to Chapter 3 of Part 28 of the Companies Act, other acquisition of any shares or other securities in, or control or management of, Hansteen or any member of the Wider Hansteen Group by any member of the Wider Bidco Group or (except as Disclosed) the carrying on by any member of the Wider Hansteen Group of its business;

#### General antitrust and regulatory

- (b) no antitrust regulator or Third Party having given notice of a decision to take, institute or implement any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed to enact or make any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to, in any case to an extent or in a manner which is or would be material in the context of the Wider Hansteen Group taken as a whole or in the context of the Acquisition:
- (i) require or prevent the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider Hansteen Group of all or any material part of its businesses, assets or property or, other than in respect of any requirement imposed by the CMA, impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Bidco Group or the Wider Hansteen Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Hansteen Group or any asset owned by any Third Party (other than in the implementation of the Acquisition);
  - (iii) other than in respect of any requirement imposed by the CMA, impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Hansteen or on the ability of any member of the Wider Hansteen Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Hansteen Group;
  - (iv) other than in respect of any requirement imposed by the CMA, otherwise adversely affect any or all of the business, assets or profits of any member of the Wider Hansteen Group or any member of the Wider Bidco Group;
  - (v) result in any member of the Wider Hansteen Group or any member of the Wider Bidco Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vi) make the Acquisition, its implementation or the acquisition of any shares or other securities in, or control or management of, Hansteen by any member of the Wider Bidco Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or, other than in respect of any requirement imposed by the CMA, otherwise materially prevent or prohibit, restrict, restrain, or delay or otherwise to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Hansteen by any member of the Wider Bidco Group;
  - (vii) other than in respect of any requirement imposed by the CMA, require, prevent or materially delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Hansteen Group or any member of the Wider Bidco Group; or
  - (viii) other than in respect of any requirement imposed by the CMA, impose any material limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Hansteen Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Hansteen Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator, other than the CMA, or Third Party could decide to take, institute, or implement any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed

acquisition of any shares or other securities in, or control or management of, Hansteen or any other member of the Wider Hansteen Group by any member of the Wider Bidco Group or otherwise intervene having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

- (c) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Hansteen Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the acquisition or proposed acquisition by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in Hansteen, could or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Hansteen Group taken as a whole:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Hansteen Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the creation or enforcement of any mortgage, charge, encumbrance or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Hansteen Group or any such mortgage, encumbrance, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
  - (iii) any material arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or any material rights, liabilities, obligations or interests of any member of the Wider Hansteen Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iv) any liability of any member of the Wider Hansteen Group to make any severance, termination, bonus or other payment to any of its directors or other officers;
  - (v) the interest or business of any such member of the Wider Hansteen Group in or with any other person, firm or company (or any agreements or arrangements relating to such interest or business) being or becoming capable of being terminated or adversely modified or affected;
  - (vi) any member of the Wider Hansteen Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vii) the value of, or the financial or trading position or profits of, any member of the Wider Hansteen Group being prejudiced or adversely affected;
  - (viii) any material assets or material interests of, or any asset the use of which is enjoyed by, any member of the Wider Hansteen Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Hansteen Group; or
  - (ix) the creation or acceleration of any material liability (actual or contingent) of any member of the Wider Hansteen Group (including any material tax liability or any obligation to obtain or acquire any material Authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Hansteen Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in Conditions 2(c)(i) to (ix) above, in each case to the extent material in the context of the Wider Hansteen Group taken as a whole;

## Certain events occurring since 30 June 2019

- (d) except as Disclosed, no member of the Wider Hansteen Group having since 30 June 2019:
- (i) issued or agreed to issue, or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold, or agreed to transfer or sell or authorised or proposed the transfer or sale of, Hansteen Shares out of treasury (except, where relevant, as between Hansteen and wholly owned subsidiaries of Hansteen or between the wholly owned subsidiaries of Hansteen and except for the issue or transfer out of treasury of Hansteen Shares on the exercise of employee share options or vesting of employee share awards or appropriation or other transfer of Hansteen Shares in the ordinary course under the Hansteen Share Plans);
  - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Hansteen to Hansteen or any of its wholly owned subsidiaries;
  - (iii) other than pursuant to the Acquisition and except for transactions between Hansteen and its wholly owned subsidiaries or between the wholly owned subsidiaries of Hansteen, implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Hansteen Group taken as a whole;
  - (iv) other than in the ordinary and usual course of business and except for transactions between Hansteen and its wholly owned subsidiaries or between the wholly owned subsidiaries of Hansteen, disposed of, or transferred, mortgaged, encumbered or created any security interest over, any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;
  - (v) except for transactions between Hansteen and its wholly owned subsidiaries or between the wholly owned subsidiaries of Hansteen, issued, authorised or proposed or announced an intention to authorise or propose the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness, in each case which is material in the context of the Wider Hansteen Group as a whole;
  - (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which: (i) is of a long term, unusual or onerous nature or magnitude; or (ii) is reasonably likely to be materially restrictive on the business of any member of the Wider Hansteen Group which in any such case is material and adverse in the context of the Wider Hansteen Group taken as a whole;
  - (vii) entered into or varied the terms of, or made any material offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Hansteen Group, except for (in each case) salary increases, bonuses or variations of terms in the ordinary course;
  - (viii) proposed, agreed to provide or modified in any material respect the terms of any Hansteen Share Plan, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Hansteen Group;
  - (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;

- (x) waived, compromised or settled any claim which is material in the context of the Wider Hansteen Group taken as a whole or in the context of the Acquisition;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Hansteen Group and any other person in a manner which would or might reasonably be expected to be materially adverse to the Wider Hansteen Group taken as a whole or to be material in the context of the Acquisition;
- (xii) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant adverse change to:
  - (a) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Hansteen Group for its directors, employees or their dependents;
  - (b) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (xiii) carried out any act (other than any act arising from or in connection with the Acquisition):
  - (a) which would or could reasonably be expected to lead to the commencement of the winding up of any pension scheme(s) established by any member of the Wider Hansteen Group for its directors, former directors, employees, former employees or their dependents;
  - (b) which would or might reasonably be expected to create a material debt owed by an employer to any such pension scheme;
  - (c) which would or might reasonably be expected to accelerate any obligation on any employer to fund or pay additional contributions to any such pension scheme; or
  - (d) which would, having regard to the published guidance of the Pensions Regulator, give rise to a liability of a member of the Wider Hansteen Group to make payment to any pension scheme arising out of the operation of section 38 and 38A of the Pensions Act 2004;
- (xiv) excluding a trustee of any such pension scheme: (a) entered into or proposed to enter into one or more bulk annuity contracts in relation to any such pension scheme pursuant to which a member of the Wider Hansteen Group is required to pay further contributions; or (b) agreed to the entering into of a bulk annuity contract by a trustee of any such pension scheme;
- (xv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xvi) (other than in respect of a member of the Wider Hansteen Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

- (xvii) except for transactions between Hansteen and its wholly owned subsidiaries or between the wholly owned subsidiaries of Hansteen, made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xviii) other than with the consent of Bidco, taken (agreed or proposed to take) any action that requires, or would require, the consent of the Panel or the approval of Hansteen Shareholders in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;
- (xix) other than in the ordinary course of business, entered into, implemented or authorised the entry into any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which would be restrictive on the business of any member of the Wider Hansteen Group to an extent which is material in the context of the Wider Hansteen Group taken as a whole;
- (xx) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Hansteen Group or the Wider Bidco Group other than of a nature and to an extent which is normal in the context of the business concerned and which in any case is material in the context of the Wider Hansteen Group taken as a whole;
- (xxi) made any alterations to its memorandum or articles of association or other incorporation documents; or
- (xxii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or proposed to, effect any of the transactions, matters or events referred to in this Condition 2(d);

**No adverse change, litigation or similar**

- (e) except as Disclosed, since 30 June 2019 there having been:
  - (i) no adverse change and no circumstance having arisen which would or might reasonably be expected to result in any adverse change in the business, assets, financial or trading position or profits or prospects of any member of the Wider Hansteen Group which is material in the context of the Wider Hansteen Group taken as a whole or in the context of the Acquisition;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against (and in each case, not having been withdrawn and/or resolved) or in respect of any member of the Wider Hansteen Group or to which any member of the Wider Hansteen Group is or may become a party (whether as claimant, defendant or otherwise), in each case which is or might reasonably be expected to have a material adverse effect on the Wider Hansteen Group taken as a whole or in the context of the Acquisition;
  - (iii) no enquiry or investigation by (or, to the board of directors of Hansteen's actual knowledge, complaint or reference to) any Third Party or other investigative body having been threatened, announced, instituted or remaining outstanding by, against (and in each case, not having been withdrawn and/or resolved) or in respect of any member of the Wider Hansteen Group, which in any case is material in the context of the Wider Hansteen Group taken as a whole or in the context of the Acquisition;
  - (iv) no contingent or other liability having arisen or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Hansteen Group to an extent which is or would reasonably be expected to be material in the context of the Wider Hansteen Group taken as a whole or in the context of the Acquisition;
  - (v) no member of the Wider Hansteen Group having conducted its business in breach of applicable laws and regulations and which is material in the context of the Wider Hansteen Group as a whole or material in the context of the Acquisition; and

- (vi) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Hansteen Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is or would reasonably be expected to have a material adverse effect on the Wider Hansteen Group taken as a whole;

**No discovery of certain matters regarding information, liabilities and environmental issues**

- (f) except as Disclosed, Bidco not having discovered, in each case to an extent which is material in the context of the Wider Hansteen Group taken as a whole or which is otherwise material in the context of the Acquisition, that:
  - (i) any financial, business or other information concerning the Wider Hansteen Group publicly announced prior to the date of this Announcement or disclosed at any time to any member of the Wider Bidco Group by or on behalf of any member of the Wider Hansteen Group prior to the date of this Announcement is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading which was not subsequently corrected at least five Business Days before the date of this Announcement by disclosure via a Regulatory Information Service;
  - (ii) any member of the Wider Hansteen Group (or partnership, company or other entity in which any member of the Wider Hansteen Group has a Significant Interest and which is not a subsidiary undertaking of Hansteen) is subject to any liability, contingent or otherwise, other than in the ordinary course of business;
  - (iii) any past or present member of the Wider Hansteen Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Hansteen Group;
  - (iv) there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider Hansteen Group;
  - (v) there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Hansteen Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; or
  - (vi) circumstances exist (whether as a result of making the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Hansteen Group would be likely to be required to institute) an environmental audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Hansteen Group (or on its behalf) or by any person for which a member of the Wider Hansteen Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest;

## Anti-corruption

- (vii) any member of the Wider Hansteen Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-corruption legislation applicable to the Wider Hansteen Group;
- (viii) any member of the Wider Hansteen Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations (2006) (each as amended);
- (ix) any past or present member, director, officer, employee, agent, consultant or designated representative of the Wider Hansteen Group is or has engaged in any activity or business with, or made any investments in, or made any funds or assets available to or received any funds or assets from: (A) any government, entity or individual targeted by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States; or (B) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by the United States or European Union laws or regulations, including the economic sanctions administered by Her Majesty's Treasury, in each case where such action is a breach of the sanctions applicable to the Wider Hansteen Group; or
- (x) a member of the Hansteen Group has engaged in any transaction which would cause any member of the Wider Bidco Group to be in breach of any applicable economic sanctions laws upon its acquisition of Hansteen, including the economic sanctions of the United States Office of Foreign Assets Control or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states; or

## No criminal property

- (xi) any asset of any member of the Wider Hansteen Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

## Part B: Certain further terms of the Acquisition

1. Subject to the requirements of the Panel, Bidco reserves the right to waive:
  - (i) the deadlines set out in any of the Conditions set out in Condition 1 of Part A above for the timing of the Court Meeting, General Meeting and the Court Hearing. If any such deadline is not met, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Hansteen to extend the deadline in relation to the relevant Condition; and
  - (ii) in whole or in part, all or any of Conditions 2(a) to (f) (inclusive) in Part A above.
2. If Bidco is required by the Panel to make an offer for Hansteen Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
3. The Acquisition shall lapse if: (i) in so far as the Acquisition or any matter arising from or relating to the Scheme or Acquisition constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference; or (ii) the Acquisition or any matter arising from or relating to the Scheme or Acquisition becomes subject to a CMA Phase 2 Reference, in each case before the date of the Court Meeting.

4. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 2(a) to (f) (inclusive) of Part A above by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
5. Under Rule 13.5 of the Takeover Code, Bidco may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. The Conditions contained in paragraph 1 of Part A of this Appendix 1 and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Takeover Code.
6. The Hansteen Shares to be acquired under the Acquisition shall be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching or accruing to them after the Scheme becomes effective in accordance with its terms, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the Scheme becomes effective in accordance with its terms.
7. If, on or after the date of this Announcement, any dividend and/or other distribution and/or other return of capital is proposed, authorised, declared, paid or made or becomes payable by Hansteen, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke Condition 2(d)(ii) in Part A above) to reduce the consideration payable under the Acquisition by the aggregate amount of such dividend and/or distribution and/or other return of capital and accordingly reduce the Acquisition Price, in which case the relevant eligible Hansteen Shareholders will be entitled to receive and retain such dividend and/or distribution and/or other return of capital.

If any such dividend and/or other distribution and/or other return of capital and consequent reduction occurs, any reference in this Announcement to the consideration payable or the Acquisition Price shall be deemed to be a reference to the consideration payable or the Acquisition Price as so reduced.

To the extent that such a dividend and/or other distribution and/or other return of capital has been declared, paid, made or is payable, and is or shall be: (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable and the Acquisition Price shall not be subject to change in accordance with this paragraph.

Furthermore, Bidco reserves the right to reduce the consideration payable under the Acquisition in respect of the Hansteen Shares in such circumstances as are, and by such amount as is, permitted by the Panel.

Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

8. Bidco reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer (a "**Switch**") in the following circumstances:
  - (i) with the consent of Hansteen;

- (ii) if the Scheme lapses or is withdrawn;
- (iii) if the Hansteen Board Recommendation is withdrawn or adversely modified or qualified; or
- (iv) if a third party not acting in concert with Blackstone or Bidco announces a firm intention to make an offer for all the issued and to be issued ordinary share capital of Hansteen.

In the event of a Switch

- (i) the acceptance condition that will apply to the Takeover Offer shall be determined by Bidco after (to the extent necessary) consultation with the Panel, being in any case more than 50 per cent. of the Hansteen Shares, and Bidco shall ensure that the only conditions of the Takeover Offer shall be the conditions set out in Part A of this Appendix 1 (subject to replacing Condition 1 with the acceptance condition referred to above). In all other respects, in the event of a Switch, the Acquisition shall be implemented on substantially the same terms, so far as applicable, as those which would apply to a Scheme, subject to appropriate modifications or amendments which may be required by the Panel or which are necessary as a result of such Switch; and
  - (ii) Bidco shall ensure that the Takeover Offer remains open for acceptances for at least 21 days following the Takeover Offer becoming or being declared unconditional in all respects.
9. The availability of the Acquisition to persons not resident in the United Kingdom or the United States may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
10. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
11. The Acquisition is governed by the laws of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I and to be set out in the Scheme Document. The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Financial Conduct Authority and the Listing Rules.



12. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **APPENDIX II**

### **SOURCES OF INFORMATION AND BASES OF CALCULATION**

- (i) The value placed by the Acquisition on the existing issued share capital of Hansteen is based on 427,302,372 Hansteen Shares in issue on 17 December 2019 (excluding shares held in treasury), being the last dealing day prior to the date of this Announcement.
- (ii) The value of the Acquisition on a fully diluted basis has been calculated on the basis of a fully diluted issued share capital of 429,319,697 Hansteen Shares, which is calculated by reference to 427,302,372 Hansteen Shares in issue on 17 December 2019 (excluding shares held in treasury) and a further 2,017,325 Hansteen Shares which may be issued on or after the date of this Announcement on the exercise of options or vesting of awards under the Hansteen Share Plans based on an anticipated Effective Date occurring in the first quarter of 2020. This additional number of Hansteen Shares has been calculated on the basis of the maximum number of Hansteen Shares that may be issued under the Hansteen Share Plans following the exhaustion of all Hansteen Shares held within the Hansteen Employee Benefit Trust, although the number to be issued might be lower due to the application of performance conditions applicable to awards granted under the Hansteen Share Plans.
- (iii) Unless otherwise stated, all prices and closing prices for Hansteen Shares are closing middle market quotations derived from Bloomberg.
- (iv) Volume weighted average prices have been derived from Bloomberg and have been rounded to the nearest single decimal place.
- (v) Total shareholder return data has been derived from Thomson Reuters Datastream and has been rounded to the nearest single decimal place.
- (vi) Unless otherwise stated, the financial information relating to Hansteen is extracted from the interim report of the Hansteen Group for the half year to 30 June 2019, prepared in accordance with IFRS.



(vii) Certain figures included in this Announcement have been subject to rounding adjustments.

### APPENDIX III

#### IRREVOCABLE UNDERTAKINGS

##### Hansteen Directors' Irrevocable Undertakings

Name of Hansteen Director	Number of Hansteen Shares in respect of which undertaking is given	Percentage of Hansteen issued share capital in respect of which undertaking is given
Morgan Jones	11,552,789	2.70
Ian Watson	11,552,789	2.70
Richard Lowes	161,587	0.04
Mel Egglenton	102,856*	0.02
David Rough	32,001	0.007
Jim Clarke	30,906	0.007

\*Includes 81,420 Hansteen Shares beneficially held by Mel Egglenton's wife.

These irrevocable undertakings also extend to any Hansteen Shares acquired by the Hansteen Directors as a result of the vesting of awards under the Hansteen Share Plans, expected to be up to 2,315,922 Hansteen Shares.

These irrevocable undertakings remain binding in the event a higher competing offer is made for Hansteen and will only cease to be binding:

- if Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time;
- if the Scheme lapses or is withdrawn, at 6 p.m. (London time) on the 21st day after such lapse or withdrawal unless, by such time, Bidco announces its intention to make the Acquisition by way of a new, revised or replacement Scheme or Takeover Offer;
- on the Long Stop Date unless, on such date, Bidco is bound to make or has made a Takeover Offer that remains open for acceptances in accordance with the Code; or
- on the date on which any competing offer for the entire issued and to be issued share capital of Hansteen is declared wholly unconditional or, if proceeding by way of scheme of arrangement, becomes effective.



## APPENDIX IV

### DEFINITIONS

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

<b>"Acquisition"</b>	the direct or indirect acquisition by Bidco of the entire issued and to be issued ordinary share capital of Hansteen, to be effected by means of the Scheme (or by way of the Takeover Offer under certain circumstances described in this Announcement), and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
<b>"Acquisition Price"</b>	116.5 pence per Hansteen Share;
<b>"Announcement"</b>	this announcement;
<b>"Authorisations"</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
<b>"Bidco"</b>	Potter UK Bidco Limited, a company incorporated in England and Wales with company number 12362386;
<b>"Blackstone"</b>	The Blackstone Group Inc.;
<b>"Blackstone Funds"</b>	(i) Blackstone Real Estate Partners VI L.P.; and (ii) Blackstone Real Estate Partners IX L.P.;
<b>"Business Day"</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;
<b>"Cash Consideration"</b>	the cash amount of 116.5 pence payable by Bidco under the Acquisition in respect of each Hansteen Share, as may be adjusted in accordance with the terms of the Acquisition as set out in this Announcement;
<b>"CMA"</b>	the United Kingdom Competition and Markets Authority;
<b>"Companies Act"</b>	the Companies Act 2006, as amended;
<b>"Conditions"</b>	the conditions to the implementation of the Acquisition, as set out in Appendix I to this Announcement and to be set out in the

	Scheme Document;
<b>"Confidentiality Agreement"</b>	the confidentiality agreement between Blackstone Real Estate Services L.L.C. and Hansteen dated 20 November 2019, as described in paragraph 12 of this Announcement;
<b>"Co-Operation Agreement"</b>	The co-operation agreement entered into between Bidco and Hansteen and dated with the date of this Announcement, as described in paragraph 12 of this Announcement;
<b>"Court"</b>	the High Court of Justice in England and Wales;
<b>"Court Hearing"</b>	the Court hearing at which Hansteen will seek an order sanctioning the Scheme pursuant to Part 26 of the Companies Act;
<b>"Court Meeting"</b>	the meeting of the Scheme Shareholders to be convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment or reconvening thereof;
<b>"Court Order"</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
<b>"CREST"</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;
<b>"Dealing Disclosure"</b>	has the same meaning as in Rule 8 of the Takeover Code;
<b>"Disclosed"</b>	the information disclosed by or on behalf of Hansteen: (i) in the interim report of the Hansteen Group for the half year to 30 June 2019; (ii) in this Announcement; (iii) in any other announcement to a Regulatory Information Service by or on behalf of Hansteen prior to the publication of this Announcement; (iv) in filings made with the Registrar of Companies and appearing in Hansteen's file or those of any member of the Wider Hansteen Group at Companies House within the last two years; or (v) as otherwise fairly disclosed to Bidco (or its respective officers, employees, agents or advisers) prior to the date of this Announcement (including all matters fairly disclosed in the written replies, correspondence, documentation and information provided in an electronic data room created by or on behalf of Hansteen or sent to

	Blackstone or any of its respective advisers during the due diligence process and whether or not in response to any specific request for information made by any such person);
<b>"Effective Date"</b>	the date on which: (i) the Scheme becomes effective in accordance with its terms; or (ii) if Bidco elects to implement the Acquisition by way of a Takeover Offer, the date on which such Takeover Offer becomes or is declared unconditional in all respects;
<b>"Euroclear"</b>	Euroclear UK and Ireland Limited;
<b>"Excluded Shares"</b>	(i) any Hansteen Shares beneficially owned by Bidco, any member of the Wider Bidco Group or any other person holding shares in Bidco; or (ii) any Hansteen Shares held in treasury by Hansteen;
<b>"FCA" or "Financial Conduct Authority"</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000;
<b>"Forms of Proxy"</b>	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which will accompany the Scheme Document;
<b>"General Meeting"</b>	the general meeting of Hansteen (including any adjournment thereof) to be convened in connection with the Scheme, notice of which shall be set out in the Scheme Document;
<b>"Hansteen"</b>	Hansteen Holdings PLC;
<b>"Hansteen Board"</b>	the board of directors of Hansteen;
<b>"Hansteen Board Recommendation"</b>	the unanimous and unconditional recommendation from the Hansteen Board to the Shareholders to vote in favour of the Scheme at the Court Meeting and the Resolutions;
<b>"Hansteen Directors"</b>	the directors of Hansteen;
<b>"Hansteen Employee Benefit Trust"</b>	the Hansteen Holdings plc Employee Benefit Trust
<b>"Hansteen Group"</b>	Hansteen and its subsidiary undertakings and, where the context permits, each of them;
<b>"Hansteen Share Incentive Plan"</b>	the Hansteen Share Incentive Plan adopted in 2019;

<b>"Hansteen Performance Share Plan"</b>	the Hansteen Performance Share Plan 2012, as amended from time to time;
<b>"Hansteen Shareholders" or "Shareholders"</b>	the holders of Hansteen Shares;
<b>"Hansteen Share Plans"</b>	the Hansteen Performance Share Plan and the Hansteen Share Incentive Plan;
<b>"Hansteen Shares"</b>	the existing unconditionally allotted or issued and fully paid ordinary shares with a nominal value of 10 pence each in the capital of Hansteen and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes effective;
<b>"IFRS"</b>	International Financial Reporting Standards;
<b>"Listing Rules"</b>	the rules and regulations published by the FCA and contained in the Listing Rules sourcebook which is part of the FCA Handbook;
<b>"London Stock Exchange"</b>	London Stock Exchange plc;
<b>"Long Stop Date"</b>	18 April 2020 or such later date as may be agreed in writing by Bidco and Hansteen (with the Panel's consent and as the Court may approve (if such approval(s) are required));
<b>"Opening Position Disclosure"</b>	has the same meaning as in Rule 8 of the Takeover Code;
<b>"Overseas Shareholders"</b>	Hansteen Shareholders (or nominees of, or custodians or trustees for Hansteen Shareholders) not resident in, or nationals or citizens of, the United Kingdom or the United States;
<b>"Panel"</b>	the Panel on Takeovers and Mergers;
<b>"Peel Hunt"</b>	Peel Hunt LLP;
<b>"Phase 2 Reference"</b>	a reference of the Acquisition to the chair of the CMA under Article 33 of the Enterprise Act 2002 for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
<b>"Registrar of Companies"</b>	the Registrar of Companies in England and Wales;
<b>"Regulation"</b>	Council Regulation (EC) 139/2004 of 20 January 2004 on the control of concentrations between undertakings (as amended);

<b>"Regulatory Information Service"</b>	any of the services set out in Appendix I to the Listing Rules;
<b>"Resolutions"</b>	the resolutions proposed to be passed at the General Meeting in connection with, inter alia, implementation of the Scheme and such other matters as may be necessary to implement the Scheme;
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if the Acquisition is extended or made available in that jurisdiction or if information concerning the Acquisition is made available in that jurisdiction or where to do so would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which Bidco or Hansteen regards as unduly onerous;
<b>"Rothschild &amp; Co"</b>	N.M. Rothschild & Sons Limited;
<b>"Scheme"</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Hansteen and the Scheme Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Hansteen and Bidco;
<b>"Scheme Document"</b>	the document to be sent to Hansteen Shareholders containing, amongst other things, the Scheme and the notices convening, and accompanied by Forms of Proxy in respect of, the Court Meeting and the General Meeting;
<b>"Scheme Record Time"</b>	the time and date specified in the Scheme Document, currently expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date;
<b>"Scheme Shareholders"</b>	holders of Scheme Shares;
<b>"Scheme Shares"</b>	<p>Hansteen Shares:</p> <p>(a) in issue as at the date of the Scheme Document;</p> <p>(b) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and</p> <p>(c) (if any) issued on or after the Scheme Voting Record Time and at or before the Scheme Record Time, either on terms that the original or any subsequent holders thereof</p>

shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,

but in each case other than the Excluded Shares;

<b>"Scheme Voting Record Time"</b>	the time and date specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined;
<b>"Senior Management Team"</b>	the senior management team of Hansteen consisting of, as at the date of this Announcement, Derek Heathwood, Janine McDonald, Ben Howlett and Sarah Lindsay;
<b>"Significant Interest"</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
<b>"Takeover Code"</b>	the City Code on Takeovers and Mergers;
<b>"Takeover Offer"</b>	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of Hansteen and, where the context admits, any subsequent revision, variation, extension or renewal of such takeover offer;
<b>"Third Party"</b>	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction;
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>"United States" or "US"</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
<b>"US Exchange Act"</b>	the US Securities Exchange Act of 1934, as amended;
<b>"Wider Bidco Group"</b>	Bidco and its subsidiaries, subsidiary undertakings and associated undertakings, and

any other body corporate, person or undertaking (including a joint venture, partnership, firm or company) in which Bidco and/or such undertakings (aggregating their interests) have a Significant Interest; and

**"Wider Hansteen Group"**

Hansteen and associated undertakings and any other body corporate, partnership, joint venture or person in which Hansteen and such undertakings (aggregating their interests) have a Significant Interest.

For the purposes of this Announcement, "**subsidiary**", "**subsidiary undertaking**", "**undertaking**" and "**associated undertaking**" have the respective meanings given thereto by the Companies Act.

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All references to "**US\$**", "**\$**" and "**US Dollars**" are to the lawful currency of the United States.

All the times referred to in this Announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.

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