

26 July 2024

Dear Shareholder

Unsolicited offer for shares in Superstore Properties Limited

Unsolicited offer

Superstore Properties Limited (**Superstore** or the **Company**) has recently received an unsolicited offer from CNP Investment Holdings LP (**CNP**) to acquire 50,000 shares in Superstore, representing 2.4% of the Company's shares on issue, with the discretion to accept oversubscriptions of up to a further 250,000 shares, totalling 300,000 shares (14.3% of the Company's shares on issue) (the **CNP Offer**).

This letter forms part of Superstore's response to the CNP Offer and includes a Fairness Opinion prepared by Simmons Corporate Finance Limited. You should read the Fairness Opinion carefully and in full when considering whether to accept the CNP Offer.

Independent Director

I am the sole Independent Director of the Company and have acted on all matters arising in connection with, or because of, the CNP Offer. I have sought advice from Duncan Cotterill as legal adviser and have carefully considered the Fairness Opinion.

Summary of the Fairness Opinion

The Fairness Opinion evaluates the merits and fairness of the CNP Offer.

Set out below is an extract from the Fairness Opinion, summarising Simmons Corporate Finance Limited's opinion on the merits and fairness of the CNP Offer:

The CNP Offer is a partial takeover offer for between 2.39% and 14.32% of the Company's shares at \$5.30 cash per share.

The CNP Offer provides a liquidity event for shareholders where they will receive \$5.30 cash for each share that they accept into the offer.

Factors that shareholders should consider when deciding whether to accept the CNP Offer include:

- the CNP Offer is an offer for 2.39% of the shares in Superstore (with the discretion for CNP to accept up to 14.32% of the shares) and therefore does not necessarily provide an opportunity for a complete exit (although shareholders with small parcels of shares may possibly be able to have all of their shares accepted into the offer)*
- we assess the full underlying value of Superstore's shares to be in the range of \$6.03 to \$6.89 per share as at the present date*
- the CNP Offer Price of \$5.30 per share is below our assessed valuation range*
- the CNP Offer Price of \$5.30 per share represents a premium of 3% over Superstore's volume weighted average share price (VWAP) between 1 June 2023 and 24 July 2024 of \$5.16. However, we note that trading in the Company's shares is extremely thin and therefore the recent share transactions do not necessarily represent a strong indication of the fair market value of Superstore's shares*
- the offer is subject to a number of conditions. Two of the conditions (in respect of the Company's legal proceedings against Michael Millar and ISL) have been waived. We do not consider any of the remaining conditions provide a significant impediment to the likelihood of the CNP Offer being declared*

unconditional

- *if the CNP Offer is successful, CNP would (at most) control 36.54% of the Company's shares. This would allow it to block special resolutions but it would not be able to determine the full composition of the Board*
- *the likelihood of an alternative takeover offer is uncertain.*

The main advantage for shareholders of accepting the CNP Offer is that they will be able to realise cash of \$5.30 for each of their shares accepted into the offer. This represents an exit opportunity for shareholders which is not readily available anywhere else as the Company's shares are not quoted on any stock exchange and trading on the Syndex online trading platform is extremely thin.

The main disadvantage of accepting the CNP Offer is that shareholders will not participate in any potential appreciation in the value of the Company's shares as a result of increases in the value of the Company's property portfolio. As previously stated, we assess the full underlying value of Superstore's shares to be in the range of \$6.03 to \$6.89 per share as at the present date. Shareholders should however take into consideration that the Company's shares are illiquid and therefore there may be difficulties in monetising any increase in the value of Superstore through the sale of their shares.

No recommendation

I will not be making a recommendation of whether you should accept the CNP Offer. You should carefully consider the Fairness Opinion and decide based on your own circumstances and views as to the value and future market conditions, risk profile, liquidity preference, tax position and other factors.

I encourage you to seek professional advice in relation to your circumstances.

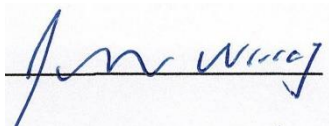
Acceptances

If you wish to accept the CNP Offer, please use the acceptance form accompanying the CNP Offer document. Complete and return your acceptance form in accordance with the instructions on that form.

If you do not wish to accept the CNP Offer, then you do not have to take any action.

On behalf of the Board, I thank you for your support of Superstore.

Yours faithfully



John Murray
Independent Chair
Superstore Properties Ltd

