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THIS DOCUMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE PROSPECTUS RULES MADE UNDER FSMA AND HAS BEEN APPROVED BY, AND FILED WITH, THE FINANCIAL CONDUCT AUTHORITY (“FCA”) IN ACCORDANCE WITH FSMA AND CONSTITUTES A SUPPLEMENTARY PROSPECTUS (THE “SUPPLEMENTARY PROSPECTUS”) PUBLISHED BY PALACE CAPITAL PLC (“THE COMPANY”).

THIS SUPPLEMENTARY PROSPECTUS IS SUPPLEMENTAL TO, AND SHOULD BE READ IN CONJUNCTION WITH, THE PROSPECTUS PUBLISHED BY THE COMPANY ON 27 FEBRUARY 2018 RELATING TO THE COMPANY’S ADMISSION TO THE PREMIUM LISTING SEGMENT OF THE OFFICIAL LIST AND TO TRADING ON THE LONDON STOCK EXCHANGE’S MAIN MARKET FOR LISTED SECURITIES OF 46,388,515 ORDINARY SHARES (THE “ORIGINAL PROSPECTUS”).

EXCEPT AS EXPRESSLY STATED HEREIN, OR UNLESS THE CONTEXT OTHERWISE REQUIRES, THE DEFINITIONS USED OR REFERRED TO IN THE ORIGINAL PROSPECTUS ALSO APPLY TO THIS SUPPLEMENTARY PROSPECTUS.

PERSONS RECEIVING THIS DOCUMENT SHOULD NOTE THAT ARDEN PARTNERS PLC IS ACTING EXCLUSIVELY FOR THE COMPANY AND IS NOT ADVISING ANY OTHER PERSON IN CONNECTION WITH THE COMPANY’S ADMISSION TO THE OFFICIAL LIST AND, SUBJECT TO ITS RESPONSIBILITIES AND LIABILITIES IMPOSED BY FSMA OR THE REGULATORY REGIME ESTABLISHED HEREUNDER, WILL NOT BE RESPONSIBLE TO ANYONE OTHER THAN THE COMPANY FOR PROVIDING ADVICE IN CONNECTION WITH SUCH ADMISSION. ARDEN PARTNERS PLC IS AUTHORISED AND REGULATED IN THE UNITED KINGDOM BY THE FCA.

THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSES OF COMPLYING WITH THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC, AS AMENDED), ENGLISH LAW AND THE RULES OF THE UK LISTING AUTHORITY AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD BE DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF A JURISDICTION OUTSIDE ENGLAND.

THE COMPANY AND ITS DIRECTORS ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS SUPPLEMENTARY PROSPECTUS. TO THE BEST OF THE KNOWLEDGE OF THE COMPANY AND THE DIRECTORS (WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE) THE INFORMATION CONTAINED IN THIS SUPPLEMENTARY PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION.

Palace Capital plc

(Incorporated in England and Wales with company number 05332938)

Events arising since publishing the Original Prospectus

The publication of this Supplementary Prospectus is a regulatory requirement under the Prospectus Rules and Section 87G of FSMA following the entry into interest rate hedging arrangements by the Group. The Prospectus Rules and section 87G of FSMA require the issue of a supplementary prospectus if, in the relevant period (being, for these purposes the period between publication of the Original Prospectus and the Admission to the premium listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities of 46,388,515 Ordinary Shares), there exists or is noted a significant new factor, material mistake or inaccuracy relating to the information included in the Original Prospectus relating to the Admission. This Supplementary Prospectus has been approved for publication by the FCA.

Significant New Factor Relating to the Company

With effect from the date of this Supplementary Prospectus, the information appearing in the Original Prospectus shall be supplemented in the manner as follows:

Interest rate swaps

The Group has entered into two interest rate swaps (the “**Swaps**”) totalling £55,722,900.00 in order to mitigate in part the effect of any rise in interest rates in connection with the Group’s borrowing obligations pursuant to certain bank facilities. Below are details of the Swaps:

Counterparty	Fixed Rate	Start Date	Maturity Date	Current Notional Value £’000
Barclays Bank plc	1.342% per annum	20 April 2018	25 January 2023	35,722.9
Santander UK plc	1.373% per annum	16 April 2018	3 August 2022	20,000

Both swaps are with reference to three month GBP-LIBOR-BBA and are settled on a quarterly basis. The swap facilities above increased the overall hedged position of the Group’s total debt facilities to 70 per cent. This led to an increase in the average cost of the Group’s debt from 2.9 per cent. per annum to 3.4 per cent. per annum.

Save as otherwise amended in this Supplementary Prospectus, the Admission is on the same terms and information set out in the Original Prospectus. Save as disclosed in this Supplementary Prospectus, no other significant new factor, material mistake or inaccuracy relating to information included in the Original Prospectus has arisen or been noted, as the case may be, since the publication of the Original Prospectus.

Copies of this Supplementary Prospectus and the Original Prospectus may be viewed on the National Storage Mechanism (NSM) of the UKLA at <http://www.morningstar.co.uk/uk/NSM>, and, this Supplementary Prospectus and the Original Prospectus are available on the Group’s website: www.palacecapitalplc.com.

Copies of the following documents may be inspected at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF during normal business hours of any weekday (public holidays excepted) from the date of this document until a date one month following Admission:

1. the Original Prospectus;
2. this Supplementary Prospectus;
3. the Long Form Confirmation dated 6 February 2018 entered into between Palace Capital (Signal) Limited and Barclays Bank plc in connection with the interest rate swap referred to above; and
4. the ISDA Master Agreement entered into between Palace Capital (Northampton) Limited and Santander UK plc dated 19 August 2016 (the “Santander ISDA”), together with the Confirmation dated 5 March 2018 supplementing and forming part of the Santander ISDA and relating to the interest rate swap referred to above.