

Valuation of:  
St Modwen Portfolio

Prepared for:

St Modwen Properties PLC

Valuation Date:

31<sup>st</sup> May 2021

Strictly Confidential – For Addressee Only

## VALUATION RECORD

**To:** St Modwen Properties PLC  
Park Point  
17 High Street  
Longbridge  
B31 2UQ

(the “**Client**” or “**Company**”)

Lazard & Co., Limited  
50 Stratton Street  
London W1J 8LL

J.P. Morgan Securities plc  
25 Bank Street  
Canary Wharf  
London E14 5JP

Numis Securities Limited  
The London Stock Exchange Building  
10 Paternoster Square  
London EC4M 7LT

(each, together with the Company, an “**Addressee**” or “**you**”)

**Properties:** The address, tenure and property type of each of the properties (the “**Properties**” or the “**Portfolio**”, and each a “**Property**”) is included in the Appendices.

**Report date:** 24 June 2021

**Valuation date:** 31 May 2021 (“**Valuation Date**”)

**Our reference:** 170D1X00

## 1. Instructions

### 1.1. Appointment

We (“Cushman & Wakefield” or “**C&W**”) are pleased to submit our report (the “**Valuation Report**”) and valuation (the “**Valuation**”), which has been prepared in accordance with the engagement letter entered into between us dated 10 June 2021 (the “**Engagement Letter**”). The Engagement Letter and the terms set out therein, together with our Terms of Business, which were sent to you with our Engagement Letter, constitute the “**Engagement**”, which forms an integral part of this Valuation Report.

Included in the Engagement Letter is the Valuation Services Schedule, extracts of which are included as Appendix A (“**Engagement**”). It is essential to understand that the contents of this Valuation Report are subject to the various matters we have assumed, which are referred to and confirmed as Assumptions in the Valuation Services Schedule (which forms part of the Engagement). Where Assumptions detailed in the Valuation Services Schedule are also referred to within this Valuation Report they are referred to as an “assumption” or “assumptions”. Unless otherwise defined, all capitalised terms herein shall be as defined in the Engagement. You have informed us that the Properties are categorised as investment or development properties.

### 1.2. Compliance with RICS Valuation – Global Standards

We confirm that the Valuation and Valuation Report have been prepared in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards (“**IVS**”) and the RICS UK national supplement (the “**RICS Red Book**”), edition current at the Valuation Date. It follows that the Valuation is compliant with IVS.

We confirm that the Valuation and Valuation Report are prepared in accordance with Rule 29 of the City Code on Takeovers and Mergers (the “**Code**”).

### 1.3. Status of Valuer and Conflicts of Interest

We confirm that all valuers who have contributed to the Valuation have complied with the requirements of PS1 of the RICS Red Book. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the Valuation competently. The Valuation is the responsibility of Charles Smith MRICS, who is a member of the RICS Valuer Registration Scheme and is in a position to provide an objective and unbiased valuation, and who will act as “**External Valuer**” (as defined in the RICS Red Book) and is qualified for the purposes of the Valuation.

C&W has had no previous, recent or current involvement with the Properties other than in respect of the valuations provided for inclusion in the financial statements of the Client and ad hoc valuations in connection with your banking facilities. C&W does not anticipate any future transactional fee earning relationship with the Properties. Therefore, C&W does not consider that any conflict arises in preparing the Valuation requested.

### 1.4. Purpose of Valuation

The purpose of this Valuation Report (“**Purpose of Valuation**”) is

- i. for inclusion in any scheme document, offer document, or response circular or any other document (the “**Code Documentation**”) that may be published or made available by the Company in connection with an offer for the Company or merger by the Company with another party (the “**Transaction**”) in accordance with the Code.
- ii. to establish whether a material change has occurred in the Valuation of the Properties between 31 May 2021 (the date of valuation for inclusion in the Company’s accounts) and the date of the Valuation Report.

We valued the interests in the Properties as at the Valuation Date. A list of the addresses of the Properties together with a note of their tenure and property type is included at Appendix E

## 1.5. Disclosures required under the provisions of PS 2.5 and UK VPS 3

### Signatories

Charles Smith MRICS and Jon Leedham MRICS have been signatories of valuation reports provided to the Client in respect of valuations for inclusion in the Company's reported accounts for a continuous period since November 2014.

Cushman & Wakefield have been carrying out valuations for inclusion in the Company's reported accounts since November 2014.

### Rotation Policy

C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals not exceeding seven years. C&W's policy in this regard is explained in the Engagement.

### Fee income from the Client

Cushman & Wakefield's financial year end is 31 December. We confirm that the proportion of fees payable by the Client to C&W in the financial year to 2020 was less than 5%. We anticipate that the proportion of fees for the financial year to 31 December 2021 will remain at less than 5%.

### C&W involvement in the Properties in the previous 12 months

C&W have not received an introductory fee or negotiated a purchase of any of the Properties within the last 12 months.

## 1.6. Inspection

We confirm that we have inspected the Properties in accordance with the Engagement.

The Properties have been revalued without a further reinspection for the purposes of this Valuation Report. The Client has confirmed that other than in respect of the continuation in construction of those properties in the course of development, no material changes to the physical attributes of any Property or the nature of its location have occurred since our last inspection, our valuation as at the Valuation Date and the date of this Valuation Report.

## 1.7. Departures

We have made no Departures from the RICS Red Book.

## 1.8. Limitations

The Valuation is not subject to any limitations.

## 1.9. Floor Areas

Unless specified otherwise, floor areas and analysis in this report are based on the following bases of measurement, as defined in RICS Property Measurement and RICS Code of Measuring Practice (the edition current at the Valuation Date):

|             |         |
|-------------|---------|
| Residential | GIA     |
| Office      | NIA     |
| Retail      | NIA/GIA |

Industrial                      GIA

### 1.10. Measurement

We have adopted floor areas and site areas as provided to us by the Company.

As instructed, we have relied on these areas and have not checked them on site. We have made an Assumption that the floor areas supplied to us have been calculated in accordance with the current measurement practices.

### 1.11. Sources of Information

In addition to information established by us, we have relied on the information obtained from you and others listed in this Valuation Report.

We have made the assumption that the information provided by you and your respective professional advisers in respect of the Properties we have valued is both full and correct. We have made the further assumption that details of all matters relevant to value within your and their collective knowledge, such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to us, and that such information is up to date.

We confirm that the Valuation has been undertaken bringing the required levels of independence and objectivity to bear on the instruction, applying professional scepticism to information and data where it is provided and relied on as evidence.

### 1.12. General Comment

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or Special Assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of value would exactly coincide with the price achieved were there an actual sale at the Valuation Date.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation were to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you contemplate a sale, we strongly recommend that the Properties are given proper exposure to the market.

A copy of this Valuation Report should be provided to your solicitors and they should be asked to inform us if they are aware of any aspect which is different, or in addition, to that we have set out; in which case we will be pleased to reconsider our opinion of value in the light of their advice and / or opinions.

### 1.13. Market Conditions – COVID 19

[Market conditions explanatory note: Novel Coronavirus \(COVID-19\)](#)

The Covid-19 pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

#### 1.14. Taxation and costs

The opinion of value which C&W will attribute to the Properties will be the figure C&W considers would appear in a contract for sale, subject to the appropriate assumptions for the Basis of Value reported. Costs associated with the transaction, including any taxes, legal fees and other expenses, would be payable by the purchaser in addition to the figure reported.

No adjustment will be made by C&W to reflect any liability to taxation that may arise on disposal, or development of the Properties nor for any costs associated with disposal incurred by the owner. Furthermore, no allowance will be made by C&W to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

C&W's valuation figure for the Properties will be that receivable by a willing seller excluding VAT, if applicable.

#### 1.15. VAT

You have advised us that you have exercised your option to tax in respect of the Properties within the Properties.

The valuation and rent included in this Valuation Report are net of value added tax at the prevailing rate.

## 2. Property Information

### 2.1. Enquiries

We have undertaken and completed the various matters referred to in the "Scope of Services" section of the Engagement. Save as referred to below, the results of our enquiries and inspections do not contradict the Assumptions which we have made and are referred to in the Engagement.

## 3. Bases of Valuation

In accordance with your instructions and as required by the Code, we have undertaken our valuation on the basis of Market Value. The valuation undertaken as at 31 May 2021 for inclusion in the Company's accounts was on the basis of Fair Value.– IFRS. However, the references in the IFRS 13 definition to market participants and a sale make it clear that for most practical purposes the concept of Fair Value is consistent with that of Market Value.

### 3.1. Definitions

#### Market Value

Market Value as referred to in VPS4, Item 4 of the current edition of the RICS Valuation - Global Standards which incorporate the International Valuation Standards ("**IVS**") and the RICS UK national supplement (the "**RICS Red Book**"), and applying the conceptual framework which is set out in IVS104:

*"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

## Assumptions

The Glossary in the RICS Red Book refers to an Assumption as a "supposition taken to be true". In this context, Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process.

### Special Assumptions

A Special Assumption is referred to in the Glossary in the RICS Red Book as an Assumption that "either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date". We confirm that no Special Assumptions have been made in undertaking our valuation.

## 4. Valuation Approach and Reasoning

### Valuation of Investment Properties

Our opinion of Market Value has been arrived at by adopting the income approach and using the investment method by applying yields derived from relevant market evidence.

Where possible our opinions of value are based on analysis of recent relevant market transactions supported by market knowledge derived from our agency experience

### Valuation of Development Properties

In respect of the development properties, our opinion of market value has been arrived at by adopting the income approach and adopting the residual method of valuation. We have formulated our opinion of value by residual appraisals, discounted cash flows and comparable land transactions. We have particularly reflected in the valuations where the Company have identified that a 'Planning Milestone' has been achieved and that the planning situation in relation to a property has changed, for example, an allocation within a Local Development Framework or completion of a Section 106 Agreement. Where appropriate, we have also undertaken our own planning enquiries to verify and corroborate this information.

The residual method of valuation is the commonly practised method of valuing development property where there are no comparable market land transactions. The estimated total costs of realising the proposed development (including construction costs, fees, contingencies, costs of finance and developer's profit) are deducted from the gross development value of the completed project to determine the residual value.

It should be noted that values derived from a Residual Development Appraisal calculation are extremely sensitive to minor changes in any of the inputs. Whilst we have checked the information provided to us against available sources of information and provided for a level of profit which in our opinion reflects the level of risk inherent in the project, unforeseen events such as delays in timing, minor market movements etc. can have a disproportionate effect on the resulting value. Should information which we were not made aware of at the time of the valuation subsequently come to light which changes our view on any of the input variables adopted, then the value reported is subject to change and we reserve the right to amend our valuation

We would draw your attention to the fact that, even in normal market conditions, the residual method of valuation is very sensitive to changes in key inputs, with small changes in variables (such as the timing of the development, finance/construction costs and sales rates) having a disproportionate effect on value.

### Valuation of Trade Related Properties

Certain property types are normally brought and sold based on their trading potential as they have usually been designed or adapted and fitted out for a specific use and the resulting lack of flexibility usually means that the value of the property interest is intrinsically linked to the returns that the owner can generate from that use.

As a result our opinion of value of the Italian Garden at Trentham Garden has been assessed having regard to its trading potential based on an income approach to value unless there is a clear alternative use, unless otherwise stated our opinion of value assumes it is fully equipped operational entities and include:

- The legal interest in the land and buildings.
- The trade inventory, usually comprising all trade fixtures, fittings, furnishings and equipment.
- The markets perception of the trading potential, together with an assumed ability to obtain and renew existing licences, consents, certificates and permits.

For the avoidance of doubt our opinions of value do not include consumables and stock.

In respect of the investment properties, we have applied our opinion of appropriate market rents and yields, derived from comparable transactions.

In respect of the properties held in Joint Ventures or by Associates, in the figures set out in this Valuation Report, we have included apportionments of the Market / Fair Values of the Property interests based on the Company's share of the Property interests in the Joint Ventures or Associates.

We have valued each interest in property as an individual discrete property asset and, generally, this reflects the way the Company categorises the properties. However, in the case of larger properties, or adjoining properties, we have considered 'prudent lotting', that is combining properties into a single lot, or dividing a large property into a number of smaller lots which would generate higher values. In any such cases, we have reported the higher aggregate values but have apportioned these appropriately into the property holdings the Company recognises in its management systems. Conversely, certain elements could be sold independently at a higher figure than would be reflected within a sale of the whole, so we have reported these higher figures.

## 5. Valuation

Having regard to the foregoing we are of the opinion that the aggregate of the Market Values ("Aggregate Value") as at the Valuation Date of each of the freehold and leasehold interests owned by the Company in the Portfolio was:-

**£1,161,348,000**

**(One billion one hundred and sixty one million three hundred and forty eight thousand pounds)**

The figures quoted above are aggregated figures of the individual Market Values for each property interest in the portfolio. We have assumed that the Properties would be marketed in an orderly way. If the portfolio were to be sold as a single lot or in groups of properties, the total values could differ significantly

Values are reported in pounds sterling (£).

There is one property with a negative value details of which are included in Appendix C.

The Company share, reflecting only the appropriate proportion of the joint venture properties is:

**£1,088,508,000**

**(One billion eighty eight million five hundred and eight thousand pounds)**

We have apportioned the total property values between freehold, long leasehold (over 50 years) and part freehold/leasehold and our opinion of the aggregate Market Value of each of the various property interests in the portfolio, as at the Valuation Date, subject to the Assumptions and comments in this Valuation Report was:

Table 1

| Tenure  | No of Properties | Aggregate Market Value |
|---|------------------|------------------------|
| Freehold                                      | 96               | £1,122,573,000         |
| Part Freehold/Part Leasehold                  | 2                | £10,000,000            |
| Long Leasehold (more than 50 years unexpired) | 12               | £28,775,000            |
| Total   | 110              | £1,161,348,000         |

## 6. Properties in the course of development or capable of being developed within 2 years

We have been informed by the Company that the following properties are held as Development Properties which are capable of being developed within 2 years of the valuation date. The value of these properties is included in the total Property Aggregate Values set out above and the individual valuations are set out below together with the additional information required by the Code.

Table 2

| Property                                       | Tenure    | GDV (*) - completed | GDV (*) – completed and let | Costs to Complete | Expected Date of Completion | Estimated Date of Letting |
|--|-----------|---------------------|-----------------------------|-------------------|-----------------------------|---------------------------|
| St Modwen Park Gatwick                         | Freehold  | £20,330,000         | £23,720,000                 | £3,428,559        | July 2021                   | October 2021              |
| St Modwen Park Lincoln                         | Freehold  | £14,320,000         | £16,430,000                 | £978,596          | June 2021                   | December 2021 – July 2022 |
| St Modwen Park Gloucester U4-8                 | Freehold  | £36,440,000         | £41,810,000                 | £5,646,954        | June 2021                   | July 2021 – June 2022     |
| St Modwen Park, Tamworth U6-8                  | Freehold  | £19,990,000         | £23,060,000                 | £804,356          | June 2021                   | March 2022                |
| St Modwen Park Basingstoke                     | Leasehold | £30,890,000         | £35,800,000                 | £20,767,700       | August 21                   | February 2022             |
| St Modwen Park, Avonmouth U21-22               | Freehold  | £8,930,000          | £10,240,000                 | £224,788          | November 2021               | May 2022                  |
| St Modwen Park, Wellingborough                 | Freehold  | £16,170,000         | £18,720,000                 | £11,614,100       | November 2021               | May 2022                  |
| St Modwen Park, Tamworth – Unit 4              | Freehold  | £15,340,000         | £17,790,000                 | £1,232,731        | November 2021               | May 2022                  |
| St Modwen Park, Stoke South                    | Freehold  | £25,470,000         | £29,260,000                 | £1,145,245        | October 2021                | April 2022 – July 2022    |
| Broomhall Business Park – Units 1/ 2 - Phase 1 | Freehold  | £8,280,000          | £9,560,000                  | £866,074          | October 2021                | April 2022                |
| Broomhall Business Park – Units 3-5 – Phase 2  | Freehold  | £9,470,000          | £11,000,000                 | £6,374,100        | June 2022                   | November 2022             |
| Broomhall Business Park – Units 6-7 – Phase 2  | Freehold  | £7,740,000          | £9,190,000                  | £6,010,400        | January 2023                | July 2023                 |
| St Modwen Park, Avonmouth Units 23-25          | Freehold  | £21,200,000         | £24,370,000                 | £14,115,300       | October 2022                | April 2023                |

| Property  | Tenure   | GDV (*) - completed | GDV (*) – completed and let | Costs to Complete | Expected Date of Completion   | Estimated Date of Letting |
|---|----------|---------------------|-----------------------------|-------------------|---|---------------------------|
| St Modwen Park, Burton (BG38, BG41, BG58, BG79) | Freehold | £24,940,000         | £28,990,000                 | £16,447,300       | June 2023   | November 2023             |
| St Modwen Park, Chippenham – Units 2.4.6.       | Freehold | £50,650,000         | £58,390,000                 | £27,905,500       | April 2022  | September 2023            |
| St Modwen Park Gloucester – Unit 9-10           | Freehold | £27,040,000         | £31,080,000                 | £16,726,900       | July 2022   | September 2022            |
| St Modwen Park, Gloucester – Units 11-15        | Freehold | £28,890,000         | £33,440,000                 | £17,780,500       | June 2023   | November 2023             |
| Longbridge – Cofton                             | Freehold | £18,300,000         | £21,300,000                 | £11,228,500       | August 2022   | January 2023              |
| St Modwen Park, Newport                         | Freehold | £11,060,000         | £12,750,000                 | £11,193,300       | November 2022   | February 2023             |
| St Modwen Park, Stoke Central                   | Freehold | £45,790,000         | £52,820,000                 | £32,093,300       | July 2022   | December 2022             |
| Uxbridge  | Freehold | £158,473,057 #      | N/A-residential **          | £135,336,653      | Phase 5 North – June 2021<br>Phase 5 South – June 2021<br>TCW – July 2026 | N/A-residential **        |
| Llanwern  | Freehold | £457,658,253 #      | N/A-residential **          | £313,696,929      | June 2032   | N/A-residential **        |
| Branston  | Freehold | £34,943,281 #       | N/A-residential **          | £21,354,646       | April 2023  | N/A-residential **        |
| St Leonards, Stafford                           | Freehold | £45,838,715 #       | N/A-residential **          | £23,731,222       | November 2025   | N/A-residential **        |
| New Covent Garden – Apex 1 only                 | Freehold | £143,647,399 #      | N/A-residential **          | £81,241,800       | Apex 1 – January 2026   | N/A-residential **        |

(\*) The GDV's set out in the table above are gross of purchaser and acquisition costs.

# These properties due to their size and nature have a phased development beyond 2 years. The GDV's set out in the table above, and the Cost to Complete, represent those values and costs relating to development of part of these sites which we understand will commence within the next two years.

\*\* GDV represents proceeds from sale of residential units. No GDV assuming letting provided as not relevant.

Table 3

| Property                                       | Confirmation that Planning Consent Granted | Date of Planning Consent | Material Planning Conditions |
|--|--|--------------------------|------------------------------|
| St Modwen Park Gatwick                         | Detailed                                   | April 2020               | None                         |
| St Modwen Park Lincoln                         | Detailed                                   | February 2020            | None                         |
| St Modwen Park Gloucester                      | Detailed                                   | July 2020                | None                         |
| St Modwen Park, Tamworth                       | Detailed                                   | April 2019               | None                         |
| St Modwen Park Basingstoke                     | Detailed                                   | February 2020            | None                         |
| St Modwen Park, Avonmouth U21-22               | Detailed                                   | November 2018            | None                         |
| St Modwen Park, Wellingborough                 | Detailed                                   | April 2019               | None                         |
| St Modwen Park, Tamworth – Unit 4              | Detailed                                   | October 2018             | None                         |
| St Modwen Park, Stoke South                    | Detailed                                   | March 2021               | None                         |
| Broomhall Business Park – Units 1/ 2 - Phase 1 | Detailed                                   | September 2020           | None                         |
| Broomhall Business Park – Units 3-5 – Phase 2  | Outline                                    | March 2019               | None                         |

| Property  | Confirmation that Planning Consent Granted     | Date of Planning Consent | Material Planning Conditions   |
|---|--|--------------------------|--|
| Broomhall Business Park – Units 6-7 – Phase 2   | Outline  | March 2019               | None   |
| St Modwen Park, Avonmouth Units 23-25           | Detailed                                       | April 2019               | None   |
| St Modwen Park, Burton (BG38, BG41, BG58, BG79) | Detailed                                       | October 2019             | None   |
| St Modwen Park, Chippenham – Units 2.4.6.       | Outline  | April 2017               | Highway works to be triggered, once 350k sq ft of development is reached |
| St Modwen Park Gloucester – Unit 9-10           | Detailed                                       | March 2019               | None   |
| St Modwen Park, Gloucester – Units 11-15        | Detailed                                       | November 2020            | None   |
| Longbridge – Cofton                             | Detailed                                       | August 2019              | None   |
| St Modwen Park, Newport                         | Outline  | April 2010               | None   |
| St Modwen Park, Stoke Central                   | Outline  | September 2019           | None   |
| Uxbridge Mons                                   | Detailed                                       | March 2019               | None   |
| Llanwern  | Outline  | April 2010               | None   |
| Branston  | Phase 1- Outline<br>Phase 2 - Outline          | April 2013<br>June 2020  | None   |
| St Leonard, Stafford                            | Outline  | September 2019           | None   |
| New Covent Garden – Apex 1 only                 | Market – Detailed<br>Surplus Land -<br>Outline | April 2015               | None   |

## 7. Additional Reporting in accordance with the City Code on Takeovers and Mergers and UK VPGA 2.2 of the RICS Red Book

In the case of land being developed or with immediate development potential, in addition to the market value of the land at the date of valuation, this valuation report also includes:

- (a) As set out in Table 2 above the value on the assumption that the development has been completed and, if applicable, let;
- (b) As set out in Table 2 above, and as provided by the Company to us and relied upon by us, the estimated total cost, including carrying charges, of completing the development;
- (c) As set out in Table 2 above, and as provided by the Company to us and relied upon by us, the expected dates of completion and, where applicable our opinion of letting or occupation; and
- (d) As set out in Table 3 above and as provided by the Company to us and relied upon by us, a statement as to whether planning consent has been obtained and, if so, the date of the planning consent and any conditions attaching to the consent which may affect the value.

## 8. Disclosures in accordance with the City Code on Takeovers and Mergers

It is confirmed that the Valuation Report is issued solely in connection with the Transaction for:

- inclusion in the Code Documentation and
- for publication on the websites referred to in the Code Documentation.

## 9. Material Difference

For the purposes of Rule 29.4 of the Code there is no material difference between the values stated in this Valuation Report and the values that would be stated were the Valuation Date the date of this Valuation Report.

## 10. Confidentiality

This Valuation Report, including the Appendices may be used only for the Purpose of Valuation as stated.

## 11. Responsibility

For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with, and is prepared in accordance with, and on the basis of, the Code. We authorise its content for the purposes of Rule 29 of the Code.

Except for any responsibility arising under Rule 29 of the Code to any person, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report or our statement set out above required by and given solely for the purposes of complying with Rule 29 of the Code .

## 12. Consent

We have given and have not withdrawn our consent to the inclusion of this Valuation Report in the Code Documentation published by St Modwen Properties PLC in the form and context in which it is included.

### 13. Disclosure

You must not disclose the contents of this Valuation Report to a third party in any way, including where we are not referred to by name or if the Valuation Report is to be combined with other reports, documents or information, without first obtaining our written approval to the form and context of the proposed disclosure in accordance with the terms of the Engagement. We will not approve any disclosure that does not refer adequately to the terms of the Engagement and any Special Assumptions or Departures that we have made.

This Valuation Report or any part of it may not be modified, altered (including altering the context in which the Valuation Report is displayed) or reproduced without our prior written consent. Any person who breaches this provision shall indemnify us against all claims, costs, losses and expenses that we may suffer as a result of such breach.

We hereby exclude all liability arising from use of and/or reliance on this Valuation Report by any person or persons except as otherwise set out in the Engagement.

### 14. Reliance

This Valuation Report may be relied upon only in connection with the Purpose of Valuation stated and only by:

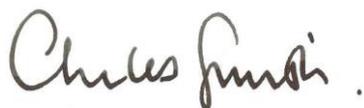
- (i) you;
- (ii) the Shareholders of the Company and
- (iii) by such other parties who have signed a Reliance Letter.

No reliance may be placed upon this Valuation Report by any other party, or for any other purpose except in accordance with the Engagement.

The Valuation Report has been prepared for the Purpose of Valuation only and does not provide any advice, guidance or recommendation on how the Company should respond to the Offer that it has received.

For the avoidance of doubt, the total aggregate limit of liability specified in the terms of the Engagement (the "**Aggregate Cap**") shall apply in aggregate to (i) you, and (ii) such other parties who have signed a Reliance Letter. Apportionment of the Aggregate Cap shall be a matter for you and such other third parties alone.

Signed for and on behalf of Cushman & Wakefield Debenham Tie Leung Limited



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## APPENDIX A: ENGAGEMENT

### Services Schedule – Valuation & Advisory

#### 1 Scope of Services

Included in the Services are:

##### 1.1 Valuation Report

Providing a Valuation Report that will be prepared in English. C&W will provide one electronic copy of the Valuation Report and, if requested, one signed hard copy. Where the Valuation Report is required to contain site plans these will be based on extracts of the Ordnance Survey or other maps showing, for identification purposes only, C&W's understanding of the extent of title based on site inspections or copy title plans supplied to C&W. The Client should not rely on C&W's plans to define boundaries.

As agreed, C&W will not provide full details of the valuation approach and reasoning in the Valuation Report.

##### 1.2 Currency

Providing a Valuation in UK Pounds Sterling (£).

##### 1.3 Inspections

We will rely upon the inspections undertaken as part of our valuation for half year reporting purposes dated 31 May 2021.

##### 1.4 Floor Areas

Adopting floor areas provided to C&W by the Client for the purpose of the Valuation, (subject to the provisions of item 3 of the Assumptions).

##### 1.5 Tenancies & Leasing

Relying on tenancy information provided by the Client, subject to the provisions of section 4.3 of the Assumptions. For the avoidance of doubt, C&W will not read copy leases.

##### 1.6 Environmental Matters (including Flooding)

Reviewing the relevant Local Authority websites regarding environmental matters, including contamination and flooding and reviewing (subject to the provisions of section 4.4 of the Assumptions). For the avoidance of doubt, C&W will not undertake an environmental assessment or prepare a land quality statement, which would be the responsibility of an environmental consultant or chartered environmental surveyor. In this respect, C&W will have regard to any

environmental reports provided to C&W (subject to the provisions of section 4.4 of the Assumptions).

## 1.7 Title

Reading a Certificate of Title where this is provided to C&W and C&W will reflect its contents in the Valuation (subject to the provisions of section 4.6 of the Assumptions).

C&W will not inspect the title deeds of the Properties.

Unless agreed in writing in advance with the Client, C&W will not obtain information from the Land Registry.

## 1.8 Condition of Structure & Services, Deleterious Materials and Ground Conditions

Taking into account the general condition of each Property as observed from the inspections undertaken for the purposes of our valuation for half year reporting purposes dated 31 May 2021 (subject to section 4.7 of the Assumptions). Where a separate condition or structural survey has been undertaken and made available to C&W, C&W will reflect the contents of the survey or condition report in the Valuation Report, but may need to discuss the survey or condition report with the originating surveyor.

## 1.9 Statutory Requirements and Planning

As previously instructed by the Client, C&W will not make enquiries of the relevant planning authorities in respect of each Property. C&W will rely on verbal enquiries of the Client's planning advisers as appropriate as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values. C&W will also seek to ascertain whether any outstanding planning applications exist which may affect any Property, and whether any Property is listed or included in a Conservation Area. C&W will also attempt to verify the existing permitted use of each Property, and endeavour to have sight of any copies of planning permissions. For the avoidance of doubt, C&W will not undertake formal searches.

## 1.10 Exclusion

Where C&W is engaged to prepare a Valuation Report in connection with a proposed transaction in respect of the Properties, expressly excluded from the Services is the provision of any recommendation or otherwise by C&W as to whether to proceed with such a proposed

transaction. Accordingly the Client must not in any circumstances construe the Valuation Report as a recommendation whether or not to proceed with such a proposed transaction.

## 2 BASIS OF APPOINTMENT

C&W confirms that:

### 2.1

The Valuation and Valuation Report will be undertaken in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("**IVS**") and the RICS UK national supplement (the "**RICS Red Book**"), including UK VPGA 2.2. In this context "current edition" means the version in force at the Valuation Date. The Valuation Report will comply with the requirements of Rule 29 of the Code.

The Valuation will be the responsibility of Charles Smith MRICS and Jon Leedham MRICS, who are both members of the RICS Valuer Registration Scheme and are in a position to provide an objective and unbiased Valuation. The Valuation will be undertaken by suitably qualified valuers, who have the knowledge, skills and understanding to undertake the Valuation competently and who will act as "**External Valuers**" (as defined in the RICS Red Book) qualified for the Purpose of Valuation.

C&W does not (and any affiliates of C&W do not) act as external valuers as defined under the Alternative Investment Fund Manager's Directive ("**AIFMD**") legislation, or its equivalent under local law. C&W expressly disclaims any responsibility or obligations under AIFMD and/or its equivalent unless expressly agreed in writing in advance by C&W.

### 2.2

C&W have carried out valuation instructions for the Client in respect of the Properties, for accounts and secured lending purposes, since 2014.

### 2.3

C&W confirms that we have had no previous material interest in the Company or material connection or involvement with any of the Properties other than as set out above, and that copies of our conflict of interest checks have been retained within the working papers.

The proposed Valuation is a "**Regulated Purpose Valuation**" (as defined in RICS UK national supplement ("**UKNS**") UK VPS 3). C&W confirms that the Properties do not include any interests which have been acquired by the Client within the 12 months preceding the Valuation Date and in respect of which C&W has either received an introductory fee or negotiated that purchase on behalf of the Client.

In accordance with the provisions of UK VPS 3.1, in terms of any future acquisitions, C&W would be unable to undertake a valuation of a property acquired by a C&W client within the twelve months preceding the Valuation Date if, in relation to that property, C&W received an introductory fee or negotiated the purchase on behalf of that client unless another firm, unconnected with C&W, has provided a valuation of that property for the client at the time of or since the transaction was agreed.

In accordance with PS 2.5 of the RICS Red Book and UK VPS 3, the Valuation Report sets out the length of time Charles Smith MRICS and Jon Leedham have been the signatory to valuations provided to the Client for the same purpose as the Valuation Report, the length of time C&W has continuously been carrying out that valuation instruction for the Client, the extent and duration of C&W's relationship with the Client and the proportion of C&W's total fee income made up by the fees payable by the Client (to the nearest five percentage points). C&W will require these disclosures to be made in any published references to the Valuation Report.

C&W must seek to ensure there will be no potential conflicts of interest arising not only from C&W's involvement with the Properties and with the Client but also any related parties to the

Client. Accordingly, the Client must advise C&W of any relevant parties connected to the Client's organisation.

In accordance with PS 2.5 of the RICS Red Book, C&W confirm our policy on rotation of the valuer accepting responsibility for Regulated Purpose Valuations and a statement of the quality control procedures that C&W has in place, as follows:

*"C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals of not more than seven years, unless there are overriding circumstances to the contrary. C&W discusses the method of rotation of the signatory to Regulated Purpose Valuation reports with its clients.*

*C&W operates internal quality control procedures throughout its valuation practice including a system whereby the valuation of property meeting certain criteria requires the approval of an internal Value Committee."*

## 3 SPECIAL AND ADDITIONAL TERMS

### 3.1 Condition of Structure, Foundations, Soil & Services

It is a condition of C&W or any related entity, or any qualified employee, providing advice and opinions as to value, that the Client and/or third parties (whether notified to C&W or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

### 3.2 Plant & Machinery

Other than in respect of The Italian Gardens at Trentham no allowance will be made by C&W for any items of plant or machinery not forming part of the service installations of the buildings. C&W will specifically exclude all items of plant, machinery and equipment installed wholly or primarily in connection with any of the occupants' businesses. C&W will also exclude furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools, except where such items would ordinarily transfer to a prospective purchaser in the sale of a trading business as a going concern.

### 3.3 Goodwill

No account will be taken by C&W in the Valuation of any business goodwill that may arise from the present occupation of the Properties, except where such business goodwill (excluding any personal goodwill) would ordinarily transfer to a prospective purchaser in the sale of a trading business as a going concern.

### 3.4 Statutory Requirements & Planning

Please note the fact that employees of town planning departments now always give information on the basis that it should not be relied upon and that formal searches should be made if more certain information is required. Where a Client needs to rely upon the information given about town planning matters, the Client's legal advisers must be instructed to institute such formal

searches. C&W recommends that the Client requests C&W to review its comments and Valuation in light of any resultant findings.

### 3.5 Defective Premises Act 1972

No allowance will be made by C&W for rights, obligations or liabilities arising under the Defective Premises Act 1972.

### 3.6 Legal Issues

Legal issues, and in particular the interpretation of matters relating to title and leases, may have a significant bearing on the value of an interest in property. No responsibility or liability will be accepted by C&W for the true interpretation of the legal position of the Client or any other parties in respect of the Valuation. Where C&W expresses an opinion on legal issues affecting the Valuation, then such opinion is subject to verification by the Client with a suitable qualified legal adviser.

### 3.7 Deduction of Notional Purchaser's Costs

The opinion of value which C&W will attribute to the Properties will be the figure C&W considers would appear in a contract for sale, subject to the appropriate assumptions for the Basis of Value reported. Costs associated with the transaction, including any taxes, legal fees and other expenses, would be payable by the purchaser in addition to the figure reported.

Furthermore, the Client's attention is drawn to the fact that when assessing Market Value, for balance sheet purposes, C&W will not include directly attributable acquisition or disposal costs in the Valuation. Where C&W is requested to reflect these costs, they will be stated separately.

### 3.8 Monitoring

The compliance of the valuations undertaken in accordance with the RICS Red Book may be subject to monitoring by the RICS under its conduct and disciplinary regulations.

### 3.9 Valuation Components

The components of C&W's valuation calculations (such as future rental values, cost allowances, or void periods) may only be appropriate as part of the valuation calculations and should not be taken as a forecast or prediction of a future outcome. The Client should not rely on any component of the valuation calculations for any other purpose.

### 3.10 Properties to be Developed or in the Course of Development or Requiring Repair/Refurbishment and Recently Completed Developments

Unless specifically agreed in writing to the contrary, C&W's fee assumes that C&W will be provided with information relating to construction and associated costs in respect of both the work completed and the work necessary for completion, together with a completion date. Normally such figures will be provided by the Client's professional advisers involved in the construction programme. Unless specifically instructed to the contrary in writing, C&W will rely on such figures, dates and information and the Client should make this fact known to such advisers. Alternatively,

on request, C&W can arrange for independent quantity surveyors to provide an assessment of costs and dates at an additional fee charge.

## 4 ASSUMPTIONS

The RICS Red Book contains a glossary that defines various terms used in the RICS Red Book that have a special or restricted meaning. One such term is an assumption which is defined as "A supposition taken to be true" ("Assumption"). Accordingly in this context, C&W will make certain Assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, the Valuation that C&W will not verify as part of the valuation process but rather, in accordance with the definition in the RICS Red Book, will treat as true because it is agreed that specific investigation by C&W is not required. In the event that any of these Assumptions prove to be incorrect then the Valuation will need to be reviewed.

### 4.1 Confirmation of Assumptions

The Client's counter-signature of the Engagement Letter represents confirmation that all of the Assumptions, referenced within the Assumptions section, are correct.

The Client must promptly notify C&W in writing if any of the Assumptions are incorrect. Should any amendment to the Assumptions set out in the Services Schedule result in an increase in the scope of the Engagement this may result in an appropriate increase in C&W's fees and expenses due under the Engagement.

Where the Properties are subject to a revaluation without re-inspection, unless the Client advises C&W in writing in advance, C&W will make an Assumption that no material changes to the physical attributes of the Properties and the areas in which the Properties are situated have occurred since the Properties were last inspected by C&W.

### 4.2 Areas

Where C&W is provided with floor areas, C&W will make an Assumption that the areas have been measured and calculated in accordance with the current edition of RICS Professional Statement RICS Property Measurement.

### 4.3 Tenancies and Leasing

C&W's opinion of the Market Value will be subject to existing leases of which the Client or its advisors have made C&W aware but otherwise will reflect an Assumption of vacant possession. Where C&W has undertaken to read the leases and related documents provided to it, C&W will make an Assumption that copies of all relevant documents will be sent to C&W and that they are complete and up to date.

Where C&W relies on tenancy and lease information provided to it, unless such information reveals otherwise, C&W will make the Assumption that all occupational leases are on full repairing and insuring terms, with no unusual or onerous provisions or covenants that would affect value.

C&W will make an Assumption that vacant possession can be given of all accommodation which is unlet or occupied by the entity or its employees on service tenancies. C&W will not take account of any leases between subsidiaries unless C&W states otherwise in the Services Schedule.

C&W will not undertake investigations into the financial strength of any tenants unless otherwise referred to in the Valuation Report. Unless C&W has become aware by general knowledge, or has been specifically advised to the contrary, C&W will make an Assumption that:

- a. where a Property is occupied under leases then the tenants are financially in a position to meet their obligations, and
- b. there are no material arrears of rent or service charges, breaches of covenant, current or anticipated tenant disputes.

However, the Valuation will reflect a potential purchaser's likely opinion of the credit worthiness of the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation.

C&W will take into account any information the Client or its advisors provide concerning tenants' improvements. Otherwise, if the extent of tenants' alterations or improvements cannot be confirmed, C&W will make an Assumption that the relevant Property was let with all alterations and improvements evident during C&W's inspection (or, in the case of a Valuation without internal inspection, as described within the information provided by the Client).

C&W will also make an Assumption that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary changes, all notices have been served validly within the appropriate time limits.

C&W are to rely on the tenancy information provided by the Company. As referred to in the "Scope of Services" section of the VSS, we have agreed that we will not read copy leases. We have not undertaken investigations into the financial strength of the tenants. Unless we have become aware by general knowledge, or we have been specifically advised to the contrary, we have made an Assumption that the tenants are financially in a position to meet their obligations. Unless otherwise advised we have also made an Assumption that there are no material arrears or of rent or service charges, breaches of covenants, current or anticipated tenant disputes. We will assume unless advised to the contrary that there are no service charge shortfalls or other irrecoverable outgoings.

However, our valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their credit worthiness.

## 4.4 Environmental Matters

C&W have been instructed not to make any investigations in relation to the presence or potential presence of contamination in land or buildings, and to make an Assumption that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out any investigation into past uses, either of the properties or any adjacent land to establish whether there is any potential for contamination from such uses or sites and have therefore made an Assumption that none exists.

In practice, purchasers in the property market do require knowledge about contamination. A prudent purchaser of these properties would be likely to require appropriate investigations to be made to assess any risk before completing a transaction. Should it be established that contamination does exist, this might reduce the values now reported.

Commensurate with our Assumptions set out above we have not made any allowance in the valuations for any effect in respect of actual or potential contamination of land or buildings.

In arriving at our valuation, we have sought to reflect our opinion of the Market Value/Fair Value on the basis of the information revealed by our enquiries.

In accordance with our signed Terms of Engagement we have not made enquiries of the Environment Agency website in order to highlight possibility of extreme flood. We have relied on information provided by the Company and have otherwise made the Assumption that building

insurance is in place regarding flooding and available to be renewed to the current or any subsequent owner of the properties, without payment of an excessive premium or excess.

On 4 April 2016, a new scheme was introduced called Flood Re to enable owners of residential properties in flood risk areas to obtain insurance on more affordable terms. Designed by the Government and the insurance industry, Flood Re will collect a sum from every home insurer in the UK and then take responsibility for the flood risk part of the policy and manage a central fund. In the event that a householder has to make a claim on their insurance policy, Flood Re would reimburse the insurer from the central Flood Re-fund.

If any reports supplied to C&W indicate the existence of environmental problems without providing method statements and costings for remedial works, then C&W may not be able to issue a Valuation Report except on the Special Assumption that the Properties are assumed NOT to be affected by such environmental matters. In certain circumstances, the making of such a Special Assumption may be unrealistic and may be a Departure from the requirements of the RICS Red Book. In these circumstances, the Valuation Report may include a recommendation that an investigation should be undertaken to quantify the costs and that subsequently the Valuation should be reviewed. Where C&W's enquiries lead C&W to believe that the Properties are unaffected by contamination or other adverse environmental problems, including but not limited to the risk of flooding, mining or quarrying, radon gas, and the proximity of high voltage electrical equipment then, unless the Client instructs C&W otherwise, the Valuation will be based on an Assumption that no contamination or other adverse environmental matters exist in relation to the Properties sufficient to affect value.

If any of the Properties lie within or close to a flood plain, or have a history of flooding, C&W will make the Assumption that building insurance is in place and available to be renewed to the current or any subsequent owner of the relevant Property, without payment of an excessive premium or excess.

In the absence of any information to the contrary, C&W will make the assumption that invasive species such as Japanese Knotweed are not present at the Properties.

Depending on the nature of the investigations made and the information revealed, the Valuation Report may include a statement that, in practice, a purchaser might undertake further investigations and that if these revealed contamination or other adverse environmental problems, then this might reduce the value reported.

## 4.5 Mineral Rights

C&W will make an Assumption that any mineral rights are excluded from the Properties.

## 4.6 Title

Save as disclosed either in any Certificate of Title or unless specifically advised to the contrary by the Client or its legal advisers and as referred to in the Valuation Report, C&W will make the Assumption that there is good and marketable title in all cases and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoing. C&W will also make an assumption that the Properties are free from mortgages, charges or other encumbrances.

If verification of the accuracy of any site plans contained in the Valuation Report is required, the matter must be referred to the Client's legal advisers.

C&W will make the Assumption that roads and sewers serving the Properties have been adopted and that the Properties have all necessary rights of access over common estate roads, paths,

corridors and stairways, and rights to use common parking areas, loading areas and other facilities.

## 4.7 Condition of Structure and Services, Deleterious Materials and Ground Conditions

Due regard will be paid by C&W to the apparent general state of repair and condition of each Property, but a condition or structural survey will not be undertaken, nor will woodwork or other parts of the structure which are covered, unexposed or inaccessible, be inspected. Therefore, C&W will be unable to report that each Property is structurally sound or is free from any defects. C&W will make an Assumption that each Property is free from any rot, infestation, adverse toxic chemical treatments, and structural, design or any other defects other than such as may be mentioned in the Valuation Report.

The current versions of the BRE publication "List of excluded materials – a change in practice" and British Council for Offices publication "Good Practice in the Selection of Construction Materials" make recommendations for good building practice and whether construction materials are considered to be deleterious, hazardous or harmful ("**Prohibited Materials**"). C&W will not arrange for investigations to be made to determine whether any Prohibited Materials have been used in the construction or any alterations of the Properties. C&W will not be able to confirm that each Property is free from risk to health and safety or the fitness for purpose (suitability and durability) of any construction works, nor will C&W be able to confirm that the nature or application of any materials do not contravene any relevant British Standard or EU equivalent. For the purposes of the Valuation, C&W will make an Assumption that each Property has been constructed in accordance with good building practice and any investigation of each of the Properties by a Chartered Building Surveyor would not reveal the presence of Prohibited Materials in any adverse condition.

C&W will not carry out an asbestos inspection and will not act as an asbestos inspector in completing the valuation inspection of each Property that may fall within the Control of the Asbestos at Work Regulations 2012. C&W will not make an enquiry of the duty holder (as defined in the Control of Asbestos of Work Regulations 2012), of an existence of an Asbestos Register or of any plan for the management of asbestos to be made. Where relevant, C&W will make an Assumption that there is a duty holder, as defined in the Control of Asbestos of Work Regulations 2012 and that a Register of Asbestos and Effective Management Plan is in place, which does not require any immediate expenditure, or pose a significant risk to health, or breach the HSE regulations. C&W recommends that such enquiries be undertaken by the Client's legal advisers during normal pre-contract or pre-loan enquiries.

No mining, geological or other investigations will be undertaken by C&W to certify that the sites are free from any defect as to foundations. C&W will make an Assumption that all buildings have been constructed having appropriate regard to existing ground conditions or that these would have no unusual or adverse effect on building costs, property values or viability of any development or existing buildings.

C&W will make the Assumptions that there are no services on, or crossing the site in a position which would inhibit development or make it unduly expensive, and that the site has no archaeological significance, which might adversely affect the present or future occupation, development or value of each Property.

No tests will be carried out by C&W as to electrical, electronic, heating, plant and machinery equipment or any other services nor will the drains be tested. However, C&W will make an Assumption that all building services (including, but not limited to lifts, electrical, electronic, gas, plumbing, heating, drainage, sprinklers, ventilation, air conditioning and security systems) and

property services (such as incoming mains, waste, drains, utility supplies etc.) are in good working order and without any defect whatsoever.

## 4.8 Statutory Requirements and Planning

Save as disclosed in a Certificate of Title, or unless otherwise advised, C&W shall make the Assumption that all of the buildings have been constructed in full compliance with valid town planning and building regulations approvals and that where necessary, they have the benefit of current Fire Risk Assessments compliant with the requirements of the Regulatory Reform (Fire Safety) Order 2005. Similarly, C&W shall also make the Assumption that the Properties are not subject to any outstanding statutory notices as to construction, use or occupation and that all existing uses of the Properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

C&W shall make the Assumption that the Properties comply with all relevant statutory requirements.

Energy Performance Certificates ("**EPC**") must be made available for all properties, when bought or sold, subject to certain exemptions. If the Properties are not exempt from the requirements of this Directive C&W shall make an Assumption that an EPC is made available, free of charge, to a purchaser of all the interests which are the subject of the Valuation.

In addition, in England and Wales the Minimum Energy Efficiency Standards Regulations are effective from 1 April 2018. The regulations prohibit the granting of a new tenancy or lease renewal of privately rented residential or business premises which do not have an EPC rating of 'E' or above. C&W will ask the Client or its advisors for information relating to the EPC ratings of the Properties if the Properties are not exempt from these requirements. In any instance where C&W is not provided with an up to date EPC rating C&W will make the Assumption that the Properties meet the minimum requirements to enable it to be let.

In any instance where C&W is to value Properties with the benefit of a recently granted planning consent, or on the Special Assumption that planning consent is granted, C&W will make an Assumption that it will not be challenged under Judicial Review. Such a challenge can be brought by anyone (even those with only a tenuous connection with the Properties, or the area in which it is located) within a period of three months of the granting of a planning consent. When a planning consent is granted subject to a Section 106 Agreement, the three month period commences when the Section 106 Agreement is signed by all parties.

If a planning consent is subject to Judicial Review, the Client must inform C&W and request C&W to reconsider its opinion of value. Advice would be required from the Client's legal advisers and a town planner, to obtain their opinion of the potential outcomes of such a Judicial Review, which C&W will reflect in its reconsideration of value.

## 4.9 Information

Notwithstanding the Terms of Business, C&W will make an Assumption that the information provided by the Client and/or its professional advisers in respect of each Property to be valued is both full and correct. C&W will make an Assumption that details of all matters relevant to value within their collective knowledge, including but not limited to matters such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to it, and that such information is up to date.

If the Valuation is required for the purpose of purchase, loan security or other financial transaction, the Client accepts that full investigation of the legal title and any leases is the responsibility of its legal advisers.

Where comparable evidence is included in the Valuation Report, this information is often based on C&W's verbal enquiries and its accuracy cannot always be assured, or may be subject to

undertakings as to confidentiality. However, such information would only be referred to where C&W had reason to believe its general accuracy or where it was in accordance with expectation. It is unlikely that C&W will have inspected comparable properties.

#### 4.10 Landlord and Tenant Act 1987

The Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in a building where more than 50% of the floor space is in residential use. Where this is applicable, C&W will make an Assumption that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold or head leasehold interest, and therefore disposal into the open market is unrestricted.

#### 4.11 Leasehold Reform Housing and Urban Development Act 1993 and Leasehold Reform Act 1967

If C&W value the freehold or leasehold interest in either blocks of flats or in houses, the following will apply. The Leasehold Reform Housing and Urban Development Act 1993, as amended by the Commonhold and Leasehold Reform Act 2002, or The Leasehold Reform Act 1967 (collectively the "Act") give certain rights to residential tenants to acquire either the freehold/leasehold interest in any building which qualifies under the Act, or the right to lease extension. If this is applicable, C&W shall make an Assumption that no residential tenants have elected under the provisions of that Act to acquire the freehold or head leasehold interests, nor have they elected to acquire a lease extension, unless the Client and/or its advisers specifically inform C&W to the contrary.

#### 4.12 Properties to be developed or in the course of development or requiring repair/refurbishment and recently completed developments

Where C&W undertake a Valuation of the completed Properties this will be based on an Assumption that all works of construction have been satisfactorily carried out in accordance with the building contract and specification, current British Standards and any relevant codes of practice. C&W will also make an Assumption that a duty of care and all appropriate warranties will be available from the professional team and contractors, which will be assignable to third parties.

We will also rely upon the Company and for any estimated development, remediation or repair costs that are envisaged. All this information will be discussed with both the Company's Finance Directors and the Company's Asset Managers, responsible for the day to day management of the properties, so that an accurate picture will be reliably obtained.



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cushmanwakefield.com  
Regulated by RICS

## APPENDIX B: SOURCES OF INFORMATION

In addition to information established by us, we have relied on the information as listed below:

| Information     | Source / Author | Date   |
|-----------------|-----------------|--------|
| Floor areas     | St Modwen PLC   | May 21 |
| Tenancy Details | St Modwen PLC   | May 21 |
| Environmental   | St Modwen PLC   | May 21 |

## APPENDIX C: PROPERTIES WITH A NEGATIVE VALUE

| Ref  | Region       | Business Unit | New Type          | Address                       | May 2020 Values | November 2020 Values | May 2021 Values |
|------|--------------|---------------|-------------------|-------------------------------|-----------------|----------------------|-----------------|
| SW21 | West & Wales | SLR           | Other Residential | Coed Darcy - Contractors Yard | £320,000        | -£1,390,000          | -£1,390,000     |

## APPENDIX D: ABBREVIATIONS

|        |  |
|--------|--|
| GIA    | Gross Internal Area                              |
| NIA    | Net Internal Area                                |
| PS     | Professional Standard                            |
| RICS   | Royal Institution of Chartered Surveyors         |
| UK VPS | UK Valuation Technical and Performance Standards |
| VPGA   | Valuation Practice Guidance Application          |
| VPS    | Valuation Professional Standard                  |

## APPENDIX E: LIST OF PROPERTIES

| PROPERTY   | INTEREST        | PROPERTY TYPE          |
|--|-----------------|------------------------|
| Thurleigh Airfield, Bedford, MK44 2YP              | Freehold        | Industrial & Logistics |
| Stratford Road, Wolverton, Milton Keynes, MK12 5NT | Freehold        | Industrial & Logistics |
| New Covent Garden Market                           | Freehold        | Industrial & Logistics |
| Farnborough Town Centre, GU14 7SJ (Kingsmead)      | Part FH Part LH | Retail                 |
| Farnborough Town Centre, GU14 7SJ (Blocks 1+2)     | Part FH Part LH | Retail                 |
| Henley Business Park - Phase 4                     | Freehold        | Industrial & Logistics |
| Hermitage Lane, Barming, Aylesford, ME20 7PX       | Freehold        | Industrial & Logistics |
| Copthorne  | Freehold        | Industrial & Logistics |
| Copthorne Phase 2                                  | Freehold        | Industrial & Logistics |
| Basingstoke  | Leasehold       | Industrial & Logistics |
| Longbridge Central - Birmingham                    | Freehold        | Land                   |
| Longbridge West                                    | Freehold        | Land                   |
| Longbridge Nanjing - Development                   | Freehold        | Industrial & Logistics |
| Longbridge Nanjing                                 | Freehold        | Industrial & Logistics |
| Long Marston, Warwickshire, CV37 8QR               | Freehold        | Industrial & Logistics |
| Newbold Road, Rugby, CV21 2NH                      | Freehold        | Industrial & Logistics |
| St Leonard's Site, Stafford, ST17 4LX              | Freehold        | Residential            |
| Lichfield Road, Stafford                           | Freehold        | Residential            |
| Clay Cross, Derbyshire                             | Freehold        | Residential            |
| Longbridge, Birmingham - 2 Devon Way               | Freehold        | Office                 |
| Longbridge, Birmingham - Innovation Centre         | Freehold        | Office                 |
| Great Western Business Park - New Investment       | Freehold        | Industrial & Logistics |
| Watling St Business Park, Cannock, WS11 9XG        | Freehold        | Industrial & Logistics |

| PROPERTY   | INTEREST | PROPERTY TYPE          |
|--|----------|------------------------|
| Bestwood Business Park, Bestwood, Nottingham, NG6 8TQ                  | Freehold | Industrial & Logistics |
| Taylor's Lane, Worcester (Norton)                                      | Freehold | Land                   |
| Longbridge, Birmingham - Cofton Centre                                 | Freehold | Industrial & Logistics |
| Derby Road (Former Pirelli) Burton upon Trent (Albion Gateway Phase 3) | Freehold | Industrial & Logistics |
| Yorks Bridge/Church Gresley, Pelsall                                   | Freehold | Land                   |
| Moorgreen Eastwood, Nottingham   | Freehold | Land                   |
| Blackpole Trading Estate, Worcester, WR4 9EQ                           | Freehold | Industrial & Logistics |
| Cakemore, Dudley, B65 ORB  | Freehold | Industrial & Logistics |
| Linehouse Lane, Marlbrook, Bromsgrove - Land                           | Freehold | Land                   |
| Tamworth CP153   | Freehold | Industrial & Logistics |
| Long Marston (Village hall and Leisure Centre)                         | Freehold | Leisure                |
| Rainbow Trust  | Freehold | Land                   |
| Kenning Park, Clay Cross   | Freehold | Land                   |
| Tamworth East - (Phase 1)  | Freehold | Industrial & Logistics |
| Tamworth East - Phase 2  | Freehold | Industrial & Logistics |
| Tamworth East - Land - Phase 4   | Freehold | Industrial & Logistics |
| Tamworth East - Land - Phase 3   | Freehold | Industrial & Logistics |
| The Quarter, Walsall   | Freehold | Retail                 |
| Burton Gateway BG87  | Freehold | Industrial & Logistics |
| Burton Gateway BG54, BG40 and BG25                                     | Freehold | Industrial & Logistics |
| Burton Gateway BG103   | Freehold | Industrial & Logistics |
| Park Point, Longbridge   | Freehold | Retail                 |
| Plot D2, Barton Business Park  | Freehold | Industrial & Logistics |
| Busy Bees Nursery, Longbridge  | Freehold | Retail                 |

| PROPERTY  | INTEREST  | PROPERTY TYPE          |
|---|-----------|------------------------|
| St Modwen Park, Wellingborough                                | Freehold  | Industrial & Logistics |
| Wythenshawe Shopping Centre Manchester                        | Leasehold | Retail                 |
| Wigan Enterprise Park, Seaman Way, Ince, Wigan, WN1 3DD       | Freehold  | Industrial & Logistics |
| Trident Industrial Estate, Daten Avenue, Warrington, WA3 6AX  | Freehold  | Industrial & Logistics |
| Wigan Enterprise Park - New Build                             | Freehold  | Industrial & Logistics |
| Moorgate Point, Knowsley                                      | Freehold  | Industrial & Logistics |
| Billingham Shopping Centre                                    | Freehold  | Retail                 |
| Catalyst, Widnes  | Freehold  | Land                   |
| Warth Industrial Park, Bury                                   | Freehold  | Industrial & Logistics |
| Southern Gateway, Speke                                       | Freehold  | Industrial & Logistics |
| Wigan - Land at Enterprise Court                              | Freehold  | Industrial & Logistics |
| Stonebridge West  | Freehold  | Industrial & Logistics |
| Chamberhall   | Freehold  | Industrial & Logistics |
| The Trentham Estate, ST4 8JG                                  | Freehold  | Leisure                |
| Trentham Lakes - North, South & Hem Heath, ST4 4EG            | Freehold  | Land                   |
| Meaford Business Park, Staffordshire, ST15 0UU                | Freehold  | Land                   |
| Unit 3 Meaford Business Park, Staffordshire                   | Freehold  | Industrial & Logistics |
| Fenton 25, Dewsbury Road (Staffordshire House)                | Freehold  | Land                   |
| Etruria Valley Phase II                                       | Freehold  | Industrial & Logistics |
| Royal Victoria Pottery site, Westcourt Road, Burslem, ST6 4AG | Freehold  | Land                   |
| Trentham Surface Water Drainage                               | Freehold  | Industrial & Logistics |
| Trentham Lakes South  | Freehold  | Industrial & Logistics |
| Trentham Lakes Central  | Freehold  | Industrial & Logistics |

| PROPERTY  | INTEREST  | PROPERTY TYPE          |
|---|-----------|------------------------|
| Uxbridge (RAF) MoDEL                                | Freehold  | Residential            |
| Llanwern Steel Works - Residential Development Land | Freehold  | Residential            |
| Coed Darcy - Residential Land                       | Freehold  | Residential            |
| Longbridge East - Cofton Agricultural               | Freehold  | Land                   |
| Branston  | Freehold  | Residential            |
| Long Marston  | Freehold  | Residential            |
| Taunton Trading Estate, Taunton                     | Leasehold | Industrial & Logistics |
| Whessoe Road, Darlington, DL3 0RG (North site)      | Freehold  | Land                   |
| Moss Land, Locking Parklands                        | Freehold  | Land                   |
| Bay Campus, Swansea - Car Park                      | Freehold  | Industrial & Logistics |
| Hendrefoilan  | Freehold  | Residential            |
| Llanwern Steel Works - Business Park                | Freehold  | Industrial & Logistics |
| Llanwern Steel Works - District Centre              | Freehold  | Industrial & Logistics |
| St. Modwen Park, Newport - Units 2-3                | Freehold  | Industrial & Logistics |
| Avonmouth/Access 18, Bristol (Including Spec Land)  | Freehold  | Industrial & Logistics |
| Unit 10, Access 18, Avonmouth                       | Freehold  | Industrial & Logistics |
| Phase 5a, Avonmouth                                 | Freehold  | Industrial & Logistics |
| Phase 5b, Avonmouth                                 | Freehold  | Industrial & Logistics |
| Phase 6a, Avonmouth                                 | Freehold  | Industrial & Logistics |
| Unit 15, Access 18, Avonmouth                       | Freehold  | Industrial & Logistics |
| Baglan Bay Neath                                    | Freehold  | Industrial & Logistics |
| Quedgeley Trading Estate East, Gloucester           | Freehold  | Industrial & Logistics |
| Unit 5, Hunts Grove Gateway 12                      | Freehold  | Industrial & Logistics |
| Unit 6, Gateway 12                                  | Freehold  | Industrial & Logistics |

| PROPERTY  | INTEREST  | PROPERTY TYPE          |
|---|-----------|------------------------|
| Unit 1, Gateway 12                                    | Freehold  | Industrial & Logistics |
| Units 4, Gateway 12                                   | Freehold  | Industrial & Logistics |
| Units 4a, Gateway 12                                  | Freehold  | Industrial & Logistics |
| Coed Darcy - Llandarcy House                          | Leasehold | Office                 |
| Green Court, Avonmouth                                | Freehold  | Office                 |
| Coed Darcy - Britannic House                          | Leasehold | Office                 |
| Coed Darcy - Llancoed House                           | Leasehold | Office                 |
| Transit Site, Neath                                   | Freehold  | Industrial & Logistics |
| Coed Darcy - William Knox House                       | Leasehold | Office                 |
| Barry   | Leasehold | Industrial & Logistics |
| Coed Darcy - Llancoed Court                           | Leasehold | Office                 |
| Coed Darcy - Contractors Yard                         | Leasehold | Office                 |
| Coed Darcy - Business Connect                         | Leasehold | Office                 |
| Coed Darcy - Darcy Business Park                      | Leasehold | Office                 |
| Barry Sports Club Site                                | Freehold  | Sports Club            |
| Coed Darcy - Peak Gen Pwr                             | Freehold  | Industrial & Logistics |
| Nunnery Park - Industrial Units                       | Freehold  | Industrial & Logistics |
| Nunnery Park - Final Phase                            | Freehold  | Industrial & Logistics |
| Chippenham Gateway                                    | Freehold  | Industrial & Logistics |
| Unit 1 Chippenham Gateway                             | Freehold  | Industrial & Logistics |
| Yard Adjacent to Unit 1, Celtic Business Park         | Freehold  | Industrial & Logistics |
| Land adjacent to Quedgeley Trading Estate, Gloucester | Freehold  | Industrial & Logistics |
| Plots 1-3 Quedgeley Land (Phase 1), Gloucester        | Freehold  | Industrial & Logistics |
| Quedgeley Land (Phase 2), Gloucester                  | Freehold  | Industrial & Logistics |
| St Modwen Park, Poole                                 | Freehold  | Industrial & Logistics |

| PROPERTY  | INTEREST | PROPERTY TYPE          |
|---|----------|------------------------|
| Gillmoss Industrial Estate (WIP)                | Freehold | Industrial & Logistics |
| Ruston works site, Lincoln, LN5 7FD             | Freehold | Industrial & Logistics |
| Parkside Industrial Estate, Doncaster           | Freehold | Industrial & Logistics |
| Sunderland (Pallion New Road) Remainder of land | Freehold | Industrial & Logistics |
| Network 46                                      | Freehold | Industrial & Logistics |

