

Condensed Valuation Report

In respect of:

Portfolio of 157 properties held by LondonMetric Property Plc

On behalf of:

the Addressees as set out below

Date of valuation:

31 December 2023

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Condensed Valuation Report

Introduction

Report Date 06 February 2024

Valuation Date 31 December 2023

Addressee LondonMetric Property Plc
1 Curzon Street
London
W1J 5HB
(hereinafter referred to as “LondonMetric” or the “Company”)

and

Peel Hunt LLP
100 Liverpool Street
London
EC2M 2AT
(in their capacity as sponsor, joint financial adviser and broker to the Company)

and

Barclays Bank Plc
1 Churchill Place
London
E14 5HP
(in their capacity as lead financial adviser and broker to the Company)

and

J.P. Morgan Securities Plc
25 Bank Street
Canary Wharf
London
E14 5JP
(in their capacity as joint financial adviser and broker to the Company)

and

LXi REIT Plc
8th Floor, 100 Bishopsgate
London
EC2N 4AG
(hereinafter referred to as “LXi”)

and

Lazard & Co., Limited
50 Stratton Street
London
W1J 8LL
(in their capacity as lead financial adviser to LXi)

and

Jefferies International Limited
100 Bishopsgate
London
EC2N 4JL
(in their capacity as financial adviser and corporate broker to LXi)

(and all the above collectively referred to as “the Addressees”)

The Properties	157 properties held by LondonMetric, as set out in the Schedule of Properties below in Appendix A.
Instruction	To value without re-inspecting the unencumbered freehold and leasehold interests (as applicable) of the Properties on the basis of Market Value as at the Valuation Date in accordance with Terms of Engagement entered into between CBRE and the Addressees dated 09 January 2024.
Status of Valuer	<p>You have instructed us to act as an External valuer as defined in the current version of the RICS Valuation – Global Standards.</p> <p>Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution’s conduct and disciplinary regulations in order to ensure compliance with the Valuation Standards.</p>
Purpose and Basis of Valuation	<p>The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Global Standards (2022) and the UK national supplement current as at the Valuation Date (the “Red Book”).</p> <p>We understand that this valuation report and the Appendices to it (together the “Valuation Report”) are required for inclusion in a combined class 1 circular and prospectus (the “Prospectus”) to be published by the Company as offeror in connection with their recommended offer for the entire issued and to be issued ordinary share capital of LXi (the “Transaction”) , in accordance with the City Code on Takeovers and Mergers (“the Code”), the Financial Conduct Authority’s (“FCA”) Prospectus Regulation Rules and the FCA’s Listing Rules, as a result of which new ordinary shares in the Company will be</p>

admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange’s Main Market (“Admission”).

The Valuation is on the basis of Market Value as defined in the current edition of the RICS Valuation – Global Standards and set out in Valuation Assumptions below.

The effective date of our Valuation is 31 December 2023 (the “Valuation Date”).

In accordance with the Red Book we have made certain disclosures in connection with this valuation instruction and our relationship with the Addressees.

Market Value of the Properties as at 31 December 2023 (100%)

£2,391,110,000 (TWO BILLION, THREE HUNDRED AND NINETY ONE MILLION, ONE HUNDRED AND TEN THOUSAND POUNDS) exclusive of VAT, as shown in the Schedule of Capital Values set out below.

For the avoidance of doubt, we have valued the Properties as real estate and the values reported above represent 100% of the market values of the assets. There are no negative values to report.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm’s length terms.

The Properties are split by property type and tenure as follows.

Property Type	Freehold	Long Leasehold	Total
Market Value of Properties held for Investment	£2,360,420,000 (152 Properties)	£30,690,000 (5 Properties)	£2,391,110,000 (157 Properties)

Market Value of the Properties as at 31 December 2023 (at share)

The Company has advised us that they have a joint venture share in 13 of the Properties and the total arithmetical apportionment of the value taking into account the relevant ownership share (as advised to us by the Company) on a pro-rata basis is as follows:

£2,324,485,000 (Two Billion, Three Hundred and Twenty Four Million, Four Hundred and Eighty Five Thousand Pounds) exclusive of VAT.

Where a Property is owned through an indirect investment structure or a joint tenancy in a trust for sale, our Valuation represents the relevant apportioned percentage of ownership of the value of the whole Property, assuming full management control. Our Valuation therefore is unlikely to represent the value of the interests in the indirect investment structure through which the property is held.

Report Format

Appendix A of this Valuation Report contains the Schedule of Properties including the most recent inspection dates.

Appendix B provides relevant details of those Properties which have an individual Market Value in excess of 5% of the total aggregate Market Value of the Portfolio.

Appendix C provides a split of the value of the Properties by use type.

Appendix D provides a split of the value of the Properties by location.

Market Conditions

We draw your attention to a combination of global inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

Portfolios and Aggregation

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

Building Contracts

Current supply issues associated with some building material shortages are impacting on construction costs and timing.

Unexecuted construction / building contracts may be subject to price increases and executed contracts may contain conditions which allow the builder to pass on any increases to the instructing party.

We recommend you obtain appropriate advice to confirm there are no adverse conditions within the final construction/building contract and/or ensure there are additional funds available to cover potential cost escalations.

Rising building costs and shortages of labour and materials may also affect the builder`s viability and/or ability to meet construction timeframes. In this climate, we strongly recommend you verify the experience and financial capability of the builder to complete the project on time and on budget. Caution is advised in this regard.

In the absence of any information to the contrary, we have assumed that the construction contract and any warranties will be assignable.

Construction Cost Volatility

Material costs, labour costs and supply chains are unusually volatile with the market experiencing price increases in some, or all of these areas during 2022 and continuing into 2023. This has created significant uncertainty in cost estimates, which is likely to continue. In addition, there are significant risks that delays may be encountered in sourcing materials and labour, and as such, delivery risks are also heightened in this climate.

Furthermore, the likelihood of ongoing cost escalations and sourcing delays is high. This may place additional pressure on both the developer's and builder's profit margins and development viability.

These inherent risks should therefore be given careful consideration in lending and investment decisions. Caution is advised in this regard.

Compliance with Valuation Standards

The Valuation has been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the “Red Book”) current as the Valuation Date.

The valuations are compliant with the International Valuation Standards, the Financial Conduct Authority's (FCA) Listing Rules, the Prospectus Regulation Rules, the FCA's Primary Market Technical Note 619.1 ("TN 619.1") paragraphs 128 to 130 (inclusive) of Part III.1 (Property companies), the London Stock Exchange requirements and Rule 29 of the Code.

The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer's independent professional opinion of the value of the subject Properties as at the Valuation Date.

TN 619.1 III.I 130 (vi)

TN 619.1 III.I 130 (vi) requires us to comment on any differences between the valuation figure in this Valuation Report and the valuation figure included in the Company's latest published annual accounts, which were published as at 31 March 2023. Differences between the published valuation figure as at 31 March 2023 and the present valuation are attributable to a number of factors, including but not limited to:

- Property acquisitions, including the £285 million purchase of CT Property Trust Limited, comprising of 33 assets;
- Property disposals, including the sale of 7 properties for £77.4 million;
- New leases or regeared leases on 9 properties, with an area of in excess of 460,000 sq ft;
- Rent reviews completed on 4 properties, with rent review dates of between March 2022 and May 2023;
- 313,000 sq ft prelet distribution & cold store development reached practical completion shortly after Mar 2023 year end;
- 125,000 sq ft pair of distribution units in Leicester reached practical completion shortly after Mar 2023 year end;
- 2023 was characterised by reduced transaction volumes in the industrial sector, but with a return to greater stability after some large movement in values at the end of 2022. Prime equivalent yields for industrial properties have remained stable since March 2023 at 5.25%.
- Prime logistics rental levels have increased since March 2023 in the North West, West Midlands and the South East of the UK, with the other regions seeing prime logistics rents remain stable.

Sustainability Considerations

Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. ‘Sustainability’ is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.

Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.

Climate Risk Legislation

From June 2019, the Climate Change Act 2008 (2050 Target Amendment) Order 2019 commits the UK Government to reducing greenhouse gas emissions by 100% from 1990 levels (i.e. a Net Zero position) by 2050. In 2021 an interim target was set, to reduce emissions by 78% by 2035, by decarbonising electricity generation. This means that fossil fuels used in building, such as natural gas for heating, are incompatible with this commitment. The proposal to update the Minimum Energy Efficiency Standards, to require all non-domestic properties to a minimum EPC rating of B in 2030 has not been ratified and in the absence of any commentary from the current administration, we assume landlords will continue to work towards this target.

We also note that the UK’s introduction of mandatory climate related disclosures (reporting climate risks and opportunities consistent with recommendations by the “Task Force for Climate Related Financial Disclosure” (TCFD)), including the assessment of so-called physical and transition climate risks, will potentially have an impact on how the market views such risks and incorporates them into the sale of letting of assets.

The European Union’s “Sustainable Finance Disclosure Regulations” (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.

Assumptions

The Properties details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.

Variations and/or

None.

Departures from

Standard Assumptions

Independence

The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from LondonMetric (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.

It is not anticipated this situation will vary in the financial year to 31 December 2024.

We confirm that neither the valuers concerned nor CBRE have any personal interest in the Company, LXI, any of the Properties or in the outcome of the valuation.

Previous Involvement and Conflicts of Interest

We confirm that we have valued the Properties on behalf of the Company on a six monthly basis for financial reporting purposes for in excess of 10 years, the most recent valuation being 30 September 2023.

From time to time, CBRE provides agency or professional services to the Company.

We do not consider that this previous involvement represents a conflict of interest and you have confirmed to us that you also consider this to be the case.

We confirm that we are not aware of any conflicts of interest that would prevent us from exercising the required levels of independency and objectivity.

Copies of our conflict of interest checks have been retained within the working papers.

Disclosure

The principal signatory of this report has continuously been the signatory of valuations for the Company since March 2023.

CBRE has continuously been carrying out Valuation instructions for the Company for in excess of 10 years.

CBRE Ltd has carried out Valuation, Agency and Professional services on behalf of the Company for in excess of 10 years.

Responsibility

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), 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 the information contained in this Valuation Report is in accordance with the facts and the Valuation Report makes no omissions likely to affect its import. This Valuation Report complies with Rule 5.4.5G of the Prospectus Regulation Rules and Paragraphs 128 to 130 of Part III.1 (Property companies) of TN 619.1.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, 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 person as a result of, arising out of, or in accordance with this Valuation Report or our statement, required by and given solely for the purposes of complying with item 1.2 of Annex 3 and Annex 12 of the UK Version of Commission Delegated Regulation (EU) 2019/980, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

Reliance

Save as set out in "Responsibility" above, the contents of this Report may only be relied upon by:

- i) Addressees of the Report; and
- ii) the parties who have received prior written consent from CBRE in the form of a reliance letter; and
- iii) the shareholders of the Company;

for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

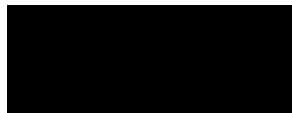
No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

Yours faithfully



Executive Director

RICS Registered Valuer

For and on behalf of CBRE Limited



Yours faithfully



Executive Director

RICS Registered Valuer

For and on behalf of CBRE Limited



Source of Information and Scope of Works

Sources of Information	<p>We have carried out our work based upon information supplied to us by the Company and their professional advisors, as set out within this report, which we have assumed to be correct and comprehensive, including;</p> <ul style="list-style-type: none"> • Tenancy Schedule named CBRE Nov Prop Data and received on 24/11/2023 at 1141; • For new acquisitions, we generally receive due diligence reports, including measured surveys, technical and environmental reports.
The Properties	<p>Our report contains a brief summary of the Property details on which our Valuation has been based.</p> <p>The Company has expressly instructed us not to disclose certain information which is considered commercially sensitive, namely the individual values of the Properties.</p>
Inspection	<p>As part of our valuation instruction from the Company for financial reporting purposes, the majority of the Properties have been subject to internal inspections on a three year rolling basis. As instructed, we have not re-inspected all the Properties for the purpose of this valuation.</p> <p>With regard to those Properties which have not been subject to re-inspection, the Company has confirmed that they are not aware of any material changes to the physical attributes of the properties, or the nature of their location, since the last inspection. We have assumed this advice to be correct.</p> <p>Where properties have not been reinspected, the valuer will not carry out the usual range of enquiries performed during a full inspection of these properties and will make the appropriate assumptions based on the information provided or available that, without a full inspection, cannot be verified. The instructing parties acknowledge and accept the heightened and inherent uncertainty and risks relying upon a valuation prepared on a desktop basis.</p>
Areas	<p>We have not measured the Properties but have relied upon the floor areas provided to us by you or your professional advisors, which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using the: Gross Internal Area (GIA), Net Internal Area (NIA) or International Property Measurement Standard (IPMS) 3 – Office, measurement methodology as set out in the latest edition of the RICS Property Measurement Standards.</p>
Environmental Considerations	<p>We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.</p> <p>We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.</p>
Sustainability Considerations	<p>In carrying out this valuation, we have considered the impact of sustainability factors on the value of the property. Based on our inspections and our review of the information that was available to us, we have not identified any risk factors which, in our opinion, would affect value. However, CBRE gives no warranty as to the absence of such risk factors in relation to sustainability.</p>

Services and Amenities

We understand that the Properties are located in an area served by mains gas, electricity, water and drainage.

None of the services have been tested by us.

Enquiries regarding the availability of utilities/services to the development schemes are outside the scope of our report.

Repair and Condition

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.

Town Planning

We have not undertaken planning enquiries.

Titles, Tenures and Lettings

Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

Valuation Assumptions

Introduction

An Assumption is defined in the Red Book Glossary and VPS 4 to be a “supposition taken to be true” (an “Assumption”).

Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.

The Company has confirmed and we confirm that our Assumptions are correct as far as the Company and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.

For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.

Capital Values

The Valuation has been prepared on the basis of “Market Value”, which is defined in the Red Book as:

“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.”

The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

Taxation, Costs and Realisation Costs

As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.

Our valuations reflect purchasers' statutory and other normal acquisition costs.

VAT

We have not been advised whether the properties are elected for VAT.

All rents and capital values stated in this report are exclusive of VAT.

Net Annual Rent

Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer:

- (i) ignoring any special receipts or deduction arising from the property;
- (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and
- (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".

Estimated Net Annual Rental Value

The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

Rental Values

Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily

appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:

"The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Fixtures, Fittings and Equipment

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.

All measurements, areas and ages quoted in our report are approximate.

Environmental Matters

In the absence of any information to the contrary, we have assumed that:

- a) the Property/Properties is/are not contaminated and is not adversely affected by any existing or proposed environmental law;
- b) any processes which are carried out on the Property/Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- c) in England and Wales, the Property/Properties possesses current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive – and that they have an energy efficient standard of 'E', or better. Under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out business or residential premise from 1st April 2018 – unless the site has reached a minimum EPC rating of an 'E', or secured a relevant exemption. In Scotland, we have assumed that the Property/Properties possesses current EPCs as required under the Scottish Government's Energy Performance of Buildings (Scotland) Regulations – and that they meet energy standards equivalent to those introduced by the 2002 building regulations. The Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 requires building owners to commission an EPC and Action Plan for sale or new rental of non-domestic buildings bigger than 1,000 sq m that do not meet 2002 building regulations energy standards. Action Plans contain building improvement measures that must be implemented within 3.5 years, subject to certain exemptions;
- d) In January 2021 the Government set out proposals in England and Wales for 'improving the energy performance of privately rented homes'. The key tenets of the proposals are to; reduce emissions; tackle fuel poverty; improve asset quality; reduce energy bills; enhance energy security; and support associated employment. The proposals were wide ranging and included new demands on residential landlords through Energy Performance Certificates ('EPCs').

Existing PRS Regulations set a minimum standard of EPC Band E for residential units to be lettable. The Government proposals see this threshold being raised to EPC Band C for all new tenancies created from 01 April 2025 and for all existing tenancies by 01 April 2028.

The principle for relevant building works is to be 'fabric first' meaning maximisation of components and materials that make up the building fabric to enhance, for example, insulation, ventilation and air-tightness. The proposals also cite;

compliance measures and penalties for landlords, letting agents and local authorities; and affordability support for carrying out necessary works. The implication was (as with the existing EPC Band E requirement) that private rented units may effectively be rendered unlettable if they failed to meet or exceed the minimum EPC requirement.

On 20 September 2023 the Prime Minister announced revisions to the PRS Regulations such that residential landlords will not be fined if they do not meet these requirements. It was not specified if this denotes a delay to the effective dates or the removal of the penalty.

In addition the Prime Minister announced that Boiler Upgrade Scheme subsidies will be increased from £5,000 to £7,500, and the timeframe for removal of gas fired boilers delayed until 2035.

The change in policy is more towards incentivising change as opposed to enforcement.

The UK's Net Zero 2050 pledge is still being upheld although future revisions are not out of the question, particularly in the event of a potential change in Government. It is likely that institutional landlords in particular will continue to target energy efficiency given policy change uncertainty and the ever increasing focus on ESG; we therefore expect EPC ratings to continue to be a focus for residential investors and occupiers in the UK;

- e) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and
- f) invasive species such as Japanese Knotweed are not present on the Properties.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

Repair and Condition In the absence of any information to the contrary, we have assumed that:

- a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
- b) the Properties are free from rot, infestation, structural or latent defect;
- c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, Reinforced Autoclaved Aerated Concrete (Raac), have been used in the construction of, or subsequent alterations or additions to, the Properties; and
- d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

**Title, Tenure,
Lettings, Planning,
Taxation and
Statutory & Local
Authority
Requirements**

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- a) the Properties possesses a good and marketable title free from any onerous or hampering restrictions or conditions;
- b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use;
- c) the Properties is not adversely affected by town planning or road proposals;
- d) the building complies with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place;
- e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the Disability Discrimination Act 1995 (in Northern Ireland) or the Equality Act 2010 (in the rest of the UK);
- f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
- g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;
- i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- j) where more than 50% of the floorspace of the Properties is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the Properties. Where this is applicable, we have assumed 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/head leasehold interest. Disposal on the open market is therefore unrestricted;
- k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;
- l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
- m) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable.

In the UK, Stamp Duty Land Tax (SDLT) in England and Northern Ireland, Land and Buildings Transaction Tax (LABTT) in Scotland or Land Transaction Tax (LTT) in Wales, will apply at the rate currently applicable

Appendices

Appendix A: Schedule of Properties as at 31 December 2023

Address	Tenure	Ownership Purpose	Inspection Date
Pai Skincare, Acton, ACTON	Freehold	Investment	11/04/2022
Ford Retail, ALPERTON	Freehold	Investment	10/05/2022
Vitec, Flagstaff 42, ASHBY-DE-LA-ZOUCH	Freehold	Investment	27/05/2022
Blue Chyp, Ashford 34, ASHFORD	Freehold	Investment	21/09/2022
Allegion, Unit 1 Golden Cross, ASTON	Freehold	Investment	03/01/2024
City Plumbing, Vantage 1, ASTON	Freehold	Investment	19/07/2021
CHEP Unit, AVONMOUTH	Freehold	Investment	10/09/2021
DSV Unit, AVONMOUTH	Freehold	Investment	10/09/2021
3663 Unit, Chalker Way, BANBURY	Freehold	Investment	19/12/2023
Burnt Mills Industrial Estate, BASILDON	Freehold	Investment	13/08/2021
Unit 2 Juniper West, BASILDON	Freehold	Investment	21/02/2022
Unit 3 Juniper West, BASILDON	Freehold	Investment	21/01/2022
Bunzl, Unit K60, BASINGSTOKE	Freehold	Investment	02/01/2024
Argos, BEDFORD	Freehold	Investment	21/09/2021
Bedford Link - Phase 1, BEDFORD	Freehold	Investment	03/03/2023
Bedford Link - Phase 2 Unit 1, BEDFORD	Freehold	Investment	03/03/2023
Bedford Link - Phase 3 Unit 3, BEDFORD	Freehold	Investment	03/03/2023
Unit 1 Bicester Distribution Park, BICESTER	Freehold	Investment	23/02/2023
Unit B, Bicester Park, BICESTER	Freehold	Investment	25/05/2023
John Wiley, BOGNOR REGIS	Freehold	Investment	25/01/2023
1-2 Network, BRACKNELL	Freehold	Investment	02/01/2024
Antolin, Barton Business Park, BURTON-ON-TRENT	Freehold	Investment	02/08/2021
Fentiman Way, 130 Thamesview Business Park, CANVEY ISLAND	Freehold	Investment	23/09/2022
Global Life Sciences, Longwood Drive, CARDIFF	Freehold	Investment	21/09/2021
Land at Fforest Farm Industrial Estate (2.46 acres), CARDIFF	Freehold	Investment	21/09/2021
Ceva Logistics, CASTLE DONINGTON	Freehold	Investment	27/05/2022
Cleeve Business Park, CHELTENHAM	Freehold	Investment	05/05/2022
Units 1-11, Coleshill Trade Park, COLESHILL	Freehold	Investment	24/08/2021
Units 1-6, Roman Park, COLESHILL	Freehold	Investment	24/08/2021
Development Site, 8 Prince George's Road, COLLIERS WOOD	Freehold	Investment	11/05/2023

Address	Tenure	Ownership Purpose	Inspection Date
Fulham Timber Merchants, COLLIERS WOOD	Freehold	Investment	17/09/2021
Heathrow Truck Centre, COLNBROOK	Freehold	Investment	20/12/2023
Units 1-8, Lakeside Industrial Estate, COLNBROOK	Freehold	Investment	20/12/2023
Units 1 & 2, Middlemarch, COVENTRY	Freehold	Investment	24/08/2021
Jewson Cranleigh (The Common), CRANLEIGH	Freehold	Investment	29/09/2022
Barker & Stonehouse, CRAWLEY	Freehold	Investment	06/08/2021
Fed Ex, CRAWLEY	Freehold	Investment	13/02/2023
Space Gatwick, CRAWLEY	Freehold	Investment	13/02/2023
Units 1-6 Crompton Fields, CRAWLEY	Freehold	Investment	13/02/2023
XPO Transport Solutions Unit, CRICK	Freehold	Investment	13/05/2022
3B Princess Way, CROYDON	Freehold	Investment	04/10/2021
Tesco, CROYDON	Freehold	Investment	04/10/2021
Goresbrook Park, DAGENHAM	Freehold	Investment	20/08/2021
Unit C3, DARTFORD	Freehold	Investment	12/07/2022
Next RSC, DONCASTER	Freehold	Investment	04/01/2024
Plot D, DONCASTER	Freehold	Investment	18/08/2022
Amazon Car Park, Droitwich, DROITWICH	Freehold	Investment	10/05/2023
Berry 185 Land, Droitwich, DROITWICH	Freehold	Investment	10/05/2023
Units 1-5, Yorks Park, DUDLEY	Freehold	Investment	17/08/2021
65-77 Malham Road, DULWICH	Freehold	Investment	19/01/2023
Deralam Laminates, 10/10a Foster Avenue, DUNSTABLE	Freehold	Investment	26/04/2021
Mega Marble, DUNSTABLE	Freehold	Investment	20/05/2022
Airways 1 & 2, EASTLEIGH	Freehold	Investment	18/12/2023
Unit H & Plot 2, EASTLEIGH	Freehold	Investment	18/12/2023
Cambridge Commodities Ltd, ELY	Freehold	Investment	05/05/2022
Royal Mail, EPSOM	Freehold	Investment	24/09/2021
Jewson Builders Merchants, EXETER	Freehold	Investment	28/09/2021
Specialist Computer Centres, FAREHAM	Long Leasehold	Investment	16/05/2022
Iveco, Hawley Lane, FARNBOROUGH	Freehold	Investment	18/05/2022
Plot A, FRIMLEY	Freehold	Investment	13/10/2021
8-10 Heathmans Road, FULHAM	Freehold	Investment	11/05/2023

Address	Tenure	Ownership Purpose	Inspection Date
Croda, GOOLE	Freehold	Investment	18/08/2022
Unit 1, GREENFORD	Freehold	Investment	14/09/2022
Mzuri, Henley Business Park, GUILDFORD	Freehold	Investment	22/09/2022
16 Andre Street (Hackney), HACKNEY	Freehold	Investment	21/09/2022
Jacuna, Hackney Oval, HACKNEY	Freehold	Investment	21/09/2022
SkateHut, Amber Way, HALESOWEN	Freehold	Investment	17/08/2021
Vee Bee, Coombeswood, HALESOWEN	Freehold	Investment	17/08/2021
4 Marples Way, HAVANT	Long Leasehold	Investment	18/01/2023
Boundary Point, HEMEL HEMPSTEAD	Freehold	Investment	20/05/2022
Units A & B, Hemel Gateway, HEMEL HEMPSTEAD	Freehold	Investment	29/12/2023
Jacuna, North Circular, HENDON	Freehold	Investment	17/05/2022
Orange, Lampton House, HOUNSLOW	Freehold	Investment	31/03/2022
AM Fresh, APS 2, Alconbury Weald, HUNTINGDON	Freehold	Investment	03/03/2023
2 Anglia Parkway North, IPSWICH	Freehold	Investment	22/05/2023
FDS Corporation, Port One Logistics Park, IPSWICH	Freehold	Investment	22/05/2023
Irlam 136, IRLAM	Freehold	Investment	04/05/2022
Unit 3, Kingley Park, KINGS LANGLEY	Freehold	Investment	10/02/2023
Units 1-7, Tachbrook Link, LEAMINGTON SPA	Freehold	Investment	24/08/2021
Ecco Safety Group (ESG), LEEDS	Freehold	Investment	18/08/2022
Flender Limited, LEEDS	Freehold	Investment	25/10/2021
Ross Care, Lockside Road, LEEDS	Freehold	Investment	04/01/2024
Crosslink 646, LEICESTER	Freehold	Investment	29/03/2023
Unit F, Meridian Business Park, LEICESTER	Freehold	Investment	26/08/2021
Luton Enterprise Park, LUTON	Freehold	Investment	01/03/2023
Bircholt Road, MAIDSTONE	Freehold	Investment	06/05/2022
Crown House & Site E, MILTON KEYNES	Freehold	Investment	03/01/2024
Mechline, MILTON KEYNES	Freehold	Investment	21/09/2021
Oxfam, Milton Point, MILTON KEYNES	Freehold	Investment	21/09/2021
Royal Mail, MILTON KEYNES	Freehold	Investment	01/03/2023
Royal Mail, MILTON KEYNES	Freehold	Investment	09/05/2022
SpeedyHire, MILTON KEYNES	Freehold	Investment	21/09/2021

Address	Tenure	Ownership Purpose	Inspection Date
TalkTalk, Linford Wood, MILTON KEYNES	Freehold	Investment	01/03/2023
Units 1-2, Star Gate, NECHELLS	Freehold	Investment	19/07/2021
Feilo Sylvania, Newhaven, NEWHAVEN	Freehold	Investment	22/09/2022
Norbury TE - Jacuna, NORBURY	Long Leasehold	Investment	17/09/2021
My First Years, Unit 5 Grange Park, NORTHAMPTON	Freehold	Investment	02/08/2021
Teknomek, NORWICH	Freehold	Investment	10/02/2023
Eriks, Unit 1, Xpanse 120, OLDBURY	Freehold	Investment	22/12/2023
Clipper Logistics, OLLERTON	Freehold	Investment	21/09/2021
Double 4 Limited, PARK ROYAL	Long Leasehold	Investment	10/05/2022
Unit 8, Nexus Point, PERRY BARR	Freehold	Investment	19/07/2021
Pinnacle Distribution Centre, PETERBOROUGH	Freehold	Investment	03/03/2023
Sainsbury's, Amethyst Court, PRESTON	Freehold	Investment	28/09/2023
Heartbeat Distrbution, Velocity 42, REDDITCH	Freehold	Investment	22/07/2021
Unit B, RUGBY	Freehold	Investment	13/05/2022
SIRFT, SHEFFIELD	Freehold	Investment	18/08/2022
2-72 Telford Drive Ground Rent, ST HELENS	Freehold	Investment	19/08/2022
DSG, Bessemer Drive, STEVENAGE	Freehold	Investment	03/03/2023
Fujitsu Data Centre, STEVENAGE	Freehold	Investment	29/05//2023
205 Clapham Road, STOCKWELL	Freehold	Investment	12/04/2022
Campbell Road, STOKE ON TRENT	Freehold	Investment	04/05/2022
28 Maryland Road, STRATFORD	Freehold	Investment	18/05/2023
Oak FurnitureLand, SWINDON	Freehold	Investment	15/03/2022
Multi Packaging, Shannon Way, TEWKESBURY	Freehold	Investment	21/07/2021
35.5 Cobalt, THAMESMEAD	Freehold	Investment	22/09/2022
HSBC, Thamesmead, THAMESMEAD	Freehold	Investment	22/09/2022
Bunzl, Maxi Centre, THEALE	Freehold	Investment	02/01/2024
Units A & B, THEALE	Freehold	Investment	17/01/2023
T2 Primark NDC, THRAPSTON	Freehold	Investment	09/05/2022
Sabre House, TOTTENHAM	Freehold	Investment	11/05/2022
Air Link Systems, Neo Park, TYSELEY	Freehold	Investment	10/08/2021
Amazon - Unit 3, Mucklow Park (Phase 3&4), TYSELEY	Freehold	Investment	03/08/2021

Address	Tenure	Ownership Purpose	Inspection Date
Decora, Mucklow Business Park (Phase 1), TYSELEY	Freehold	Investment	03/08/2021
Hollywood Monster, Redfern, TYSELEY	Freehold	Investment	03/08/2021
Plot 5, Mucklow Park (Land), TYSELEY	Freehold	Investment	03/08/2021
Royal Mail, Redfern, TYSELEY	Freehold	Investment	03/08/2021
Units A-G, Mucklow Park (Phase 2), TYSELEY	Freehold	Investment	03/08/2021
Nyetimber, Unit 4 Ashdown Business Park, UCKFIELD	Freehold	Investment	13/12/2023
Reynolds NDC, WALTHAM CROSS	Freehold	Investment	03/03/2023
Ocado Car Park, WALTHAMSTOW	Long Leasehold	Investment	18/12/2023
Ocado, WALTHAMSTOW	Freehold	Investment	18/12/2023
Amazon Plot 7C, WARRINGTON	Freehold	Investment	19/08/2022
Bonfiglioli, Unit 1, WARRINGTON	Freehold	Investment	19/08/2022
Gemini Business Park, WARRINGTON	Freehold	Investment	19/08/2022
The HUT Group, Skyline Drive, WARRINGTON	Freehold	Investment	19/08/2022
Topgrade, Unit 2, WARRINGTON	Freehold	Investment	19/08/2022
Units 1-6, Wednesbury One, WEDNESBURY	Freehold	Investment	17/08/2021
Tesla Motors, WEYBRIDGE	Freehold	Investment	13/10/2021
Phase 2, i54, WOLVERHAMPTON	Freehold	Investment	13/08/2021
Tentec, i54, WOLVERHAMPTON	Freehold	Investment	13/08/2021
Bosch, Apex Park II, WORCESTER	Freehold	Investment	21/07/2021
Yamazaki, Knightsbridge Park, WORCESTER	Freehold	Investment	21/07/2021
Bowers & Wilcox, Dale Road, WORTHING	Freehold	Investment	27/09/2021
The Range, ALDERSHOT	Freehold	Investment	17/05/2023
Dartford Heath Retail Park, DARTFORD	Freehold	Investment	13/10/2023
Wickes, DARTFORD	Freehold	Investment	03/12/2021
Lottbridge Drove Retail Park, EASTBOURNE	Freehold	Investment	19/11/2021
Wickes & Dunelm, HEMEL HEMPSTEAD	Freehold	Investment	15/05/2023
Madford Retail Park, HERTFORD	Freehold	Investment	15/05/2023
DFS, INVERNESS	Freehold	Investment	24/02/2022
Bubble Retail Park, LISKEARD	Freehold	Investment	11/02/2022
Wickes, NEWMARKET	Freehold	Investment	16/05/2023
Lidl + Carpetright, ORPINGTON	Freehold	Investment	05/04/2022

Address	Tenure	Ownership Purpose	Inspection Date
Totton Retail Park, SOUTHAMPTON	Freehold	Investment	17/05/2023
Fleming Way Retail Park, SWINDON	Freehold	Investment	08/09/2021
Forge Island Retail Park, TELFORD	Freehold	Investment	23/05/2023

Appendix B: Schedule of Properties as at 31 December 2023 with a Value in Excess of 5% of the Portfolio Value

Address	Description and Tenure	Tenancies	Market Value
T2 Primark NDC,A14 Junction 12,THRAPSTON	Modern logistics building completed in 2015 totalling approximately 1 million sq ft. Freehold	Let to Primark Stores Limited until 10/09/2040 with annual fixed rental increases. The details of the rent are confidential between the landlord and the tenant.	£119,750,000

Appendix C: Market Value of the Properties as at 31 December 2023 split by property type (100%)

Property Type	Market Value
Distribution	£2,075,165,000
Multi-Let Industrial	£133,425,000
*Land	£6,925,000
Retail Warehousing	£133,250,000
Data Centres	£42,345,000
Portfolio Total	£2,391,110,000

* The land is not valued on a development basis.

Appendix D: Market Value of the Properties as at 31 December 2023 split by property location (100%)

Property Location	Market Value
London & South East	£1,393,780,000
Midlands	£532,235,000
North East including Yorkshire	£116,225,000
North West	£217,100,000
South West	£113,295,000
Other	£18,475,000
Portfolio Total	£2,391,110,000