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8 February 2019

Dear Sirs,

Valuation of the Freehold, Leasehold and Part Freehold and Part Leasehold interests in the Properties for inclusion in the Prospectus and the Scheme Document – Project Fleming

Introduction

In accordance with our signed engagement letter with MedicX Fund Limited (the "**Company**"), dated 24 January 2019, we, Jones Lang LaSalle Limited, Chartered Surveyors, have considered properties owned by the Company, in order to advise you of our opinion of the Market Value (as defined below) as at 31 December 2018, of the Freehold ("**F/H**"), Leasehold ("**LH**") or Part Freehold, Part Leasehold ("**Part F/H, Part LH**") interests in each of these properties (the "**Properties**" and each a "**Property**"), as appropriate.

The effective valuation date is 31 December 2018.

Purpose of Valuation

We understand that this valuation report (the "**Summary Valuation Report**") is required to confirm the Market Value of certain real estate assets of the Company as at 31 December 2018. Furthermore this Summary Valuation Report will be included in the prospectus (the "**Prospectus**") which is to be published by Primary Health Properties PLC ("**PHP**") and the scheme document to be published by the Company (the "**Scheme Document**") in connection with the recommended merger pursuant to which PHP will acquire the entire issued and to be issued capital of the Company not already owned by it (the "**Merger**").

We can confirm that we are a corporate member of The Royal Institution of Chartered Surveyors and that we have sufficient current local and national knowledge of the particular market and the skills and understanding necessary to undertake the valuation competently. We have prepared our Summary Valuation Report as independent External Valuers as defined in the RICS Valuation – Professional Standards, January 2014 (revised April 2015) and updated in the RICS Valuation – Global Standards 2017, Valuation Professional Standard 4 and International Valuation Standards Framework (the "**Red Book**"), and are qualified for the purposes of the valuations. The valuation accords with the RICS Valuation – Professional Standards, January 2014 (revised April 2015) and the International Valuation Standards.

We currently value the Properties contained in the Schedule on a quarterly basis on behalf of the Company.

In accordance with Practice Statement 5 we confirm that we have held a fee earning relationship with MedicX for approximately 10 years with two of the signatories to this report having signed annual and interim valuation reports for the client for less than two years. There has been rotation of signatories over the period. We confirm that in the preceding financial year the proportion of the total fees payable by MedicX to the total fee income of JLL is less than 5 per cent.

We do not consider that any conflict of interest arises for us in preparing our valuation, and MedicX has confirmed to us that it also consider this to be the case.

We confirm that we do not have any material interest in MedicX or any of its properties.

Basis of Valuation and Assumptions

We set out below the basis and assumptions we have used in preparing our Summary Valuation Report followed by a summary of the aggregate values of the F/H and L/H and Part F/H, Part L/H interests in the Properties described in the attached Schedule.

We confirm that the value of the Properties has been assessed on the basis of Market Value in accordance with the appropriate sections of both the current Practice Statements ("**PS**"), and United Kingdom Practice Statements ("**UKPS**") contained within the Red Book. This is an internationally accepted method of valuation in accordance with the International Valuation Standards ("**IVS**").

The Definition of Market Value as defined in the IVS 104 paragraph 30.1 is: "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".

Our valuation has also been undertaken in accordance with the relevant provisions of the City Code on Takeovers and Mergers (the "**Code**") and has been undertaken by us as External Valuers as defined in the RICS Valuation Standards (being independent experts for the purposes of paragraph 130 of the ESMA Guidelines). The Properties are held as investments and developments subject to development agreements with third parties and we have therefore used the appropriate property investment valuation methodology to calculate the Market Values.

We have valued the properties individually and have reported aggregate values excluding any addition or deduction if a sale as a portfolio were contemplated.

Material Change

We hereby confirm that as at the date of this Summary Valuation Report:

- we have not been informed by the Company of any material change since 31 December 2018, in any matter relating to any specific property covered by our Summary Valuation Report which in our opinion would have a material effect on the value as at the date of this report;

- in relation to market conditions and movements in the property markets in which the Properties covered by our Summary Valuation Report are located, we do not consider that the movement in respect of the Properties constitutes a material change in value since 31 December 2018; and
- minor changes to the valuation figures as at 31 December 2018 compared with those at 30 September 2018 are largely due to changes to the rents typically through rent review agreements, and changes to yields reflecting market conditions. One property was sold following the 30 September 2018 valuation located at Harpenden.

Valuation Approaches

We have utilised the following valuation approach.

The income capitalisation method is based on capitalising the net income stream at an appropriate yield. In establishing the net income stream we have reflected the current rent (gross rent) payable to lease expiry, at which point the valuer has assumed that each unit of occupation will be let at their opinion of Market Rent. The valuer has made allowances for voids and rent free periods where appropriate, as well as deducting non-recoverable costs where applicable. For example where the landlord is responsible for external repairs and insurance a deduction of about 5% would be made to the gross rent and the net rent would be used within the valuation calculation and multiplied by a capitalisation factor (Years Purchase).

The comparable method is used to select the appropriate yield, which has been adjusted for the location of the building, specification, tenant credit quality, continued use probability, unexpired lease length, lease terms and lot size amongst other factors. Where there is a potential reversion to a different net rent a term and reversion method of valuation or hardcore method may be adopted rather than an initial yield basis. For example, on vacant accommodation or where a rent increase on review or reletting is anticipated.

The same method is adopted in respect of properties in the course of development with there being a **Special Assumption** that the building and scheme is completed and let at the date of valuation. We are informed the development company in each case is responsible for development risks such as cost overruns and that the Company will only acquire the properties in the course of development upon completion.

Valuation

On the basis outlined in this Summary Valuation Report and subject to the comments and assumptions set out in this report and subject to the comments in the JLL "General Terms and Conditions of Business" and "General Principles (Medical Centres)", we are of the opinion that the aggregate of the individual Market Values, as at 31 December 2018, of the Freehold/Heritable and Long-Leasehold interests, subject to and with the benefit of various occupational leases but subject to the Special Assumption stated in this report, is:

Category of Property	**Number of Properties owned as at 31 December 2018**	**Value of Properties owned as at 31 December 2018**
Freehold/Heritable		
Properties held as investments	126	572,295,500
Long Leasehold		
Properties held as investments	32	£172,704,000
Properties which are in the course of Construction (PUC)	2	£4,714,000
Total	**160**	£749,713,500

There are no negative values to report.

Below we summarise the total aggregate values by Tenure, excluding properties under construction:

Number of Properties	Region	Combined Net Annual Rent £ pa	Combined Market Value £
22	East Midlands	6,540,936	109,866,000
12	West Midlands	2,151,866	78,688,000
20	East of England	4,210,539	93,335,000
16	London	4,566,971	77,432,000
20	Yorkshire and the Humber	4,788,692	73,060,000
14	North West	4,045,679	96,766,000
10	South West	2,389,733	26, 637,000
22	South East	4,266,947	97,330,000
7	Scotland	1,731,098	30,999,000
11	Wales	2,775,610	45,787,500
4	North East	858,821	15,099,000
158	**Total**	**38,326,892**	**744,999,500**

Realisation Costs

Our Valuation is exclusive of VAT and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of any Property.

In the event that the Properties were to be sold at the valuations contained in this Summary Valuation Report, any gains realised on such disposals over the book value for tax purposes would be subject to taxation in the applicable jurisdiction. In connection with the Merger it is not contemplated that the liability to taxation as described above will crystallise.

Development Summary

We have valued the properties under construction (PUC) assuming they are completed and let at the date of valuation. In doing so, we have adopted a market-based approach to the completed developments, which results in headline summary figures of:

Property	MV assuming completed	Costs to Complete	MV less Costs to Complete
Ref 153 Vale of Neath	£4,911,000	£1,827,000	£3,084,000
Ref 184 Peterborough Western Avenue	£3,540,000	£1,910,000	£1,630,000
Total	£8,451,000	£3,737,000	£4,714,000

Assumptions and Sources of Information

An assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("**assumption**"). 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. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. We believe that the assumptions we have made are reasonable, taking into account our knowledge of the Properties, and the contents of reports made available to us. However, in the event that any of these assumptions prove to be incorrect then our valuations should be reviewed. The assumptions we have made for the purposes of our valuations are referred to below.

We have made the following **Special Assumption** as agreed with the Company:

In the case of the two properties contracted for acquisition under development agreements we assume that the buildings and schemes are completed and let at the date of valuation and full collateral warranties licences and statutory consents are in place. We are informed the development company in each case is responsible for development risks such as cost overruns and that the Company will only acquire the properties in the course of development upon full completion and letting.

The anticipated date of completion and letting/occupation for Vale of Neath is mid April 2019 and planning consent was granted on 17 December 2015 for the construction of a new primary healthcare centre and pharmacy with associated works. There are no conditions attaching to the consent which materially affect the value of the property.

The anticipated date of completion and letting/occupation for Peterborough is mid June 2019 and detailed planning consent was granted 30 June 2016 for the construction of a new medical centre and ancillary pharmacy. There are no conditions attaching to the consent which materially affect the value of the property.

Inspections

We have inspected all of the Properties contained within the portfolio with the exception of Ref 115 Tottenham (Nil Value) and properties in the course of construction. The table below identified year of inspection, number and percentage. The majority of properties were inspected or re-inspected on various dates within the last 36 months, in accordance with an agree three year rolling programme of inspection, by various qualified surveyors. Andrew Sproson FRICS and Yvette Mhlanga MRICS have undertaken this valuation report and are qualified for the purposes of this instruction and the report has also been overseen by Richard Petty FRICS and Alan Bennett MRICS.

Year	Number	Percentage
2015	14	9%
2016	28	18%
2017	38	24%
2018	78	49%
Total	158	100%

Information

We have made an assumption that the information which the Company and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Title

We have relied on details of tenure provided to us previously by the Company. We have considered the available information in the valuation of the Properties.

Floor Areas

We have been provided with floor areas by the Company and have assumed that these are gross or net and have been prepared in accordance with the RICS' Code of Measuring Practice appropriate for medical centres. As agreed, we have relied upon these floor areas for the purposes of this valuation exercise. For the avoidance of doubt, we have not been able to gain access to consulting rooms in use at the time of our inspection. We have undertaken check measurements where allowed by occupiers. We have been provided with agreed floor areas negotiated at rent review or ratified by the District Valuer acting on behalf of NHS occupiers.

Plant and Machinery

Landlords' fixtures such as lifts, boilers, partitioning, floor coverings, suspended ceilings, reception desks, automatic doors, lighting, heating, air-conditioning, and other normal installations found in NHS medical centres have been treated as an integral part of each Property and are included within our valuations. Medical equipment, computer equipment, tenant's fixtures and specialist trade fittings have been excluded from our valuations.

No specialist tests have been carried out on any of these service systems and for the purposes of our valuations, we have assumed that all are in good working order and in compliance with any relevant statute bye-law or regulation.

Environmental Investigations and Ground Conditions

We were not instructed to carry out site surveys or environmental assessments nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we have assumed that the Properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future use of the Properties.

We were not instructed to carry out structural surveys of the Properties, but we have reflected any apparent wants of repair in our opinion of the value as appropriate. Properties have been valued on the basis of the Company's advice. Save where we have been specifically advised to the contrary, we have assumed that no deleterious materials have been used in the construction of any of the subject buildings.

Planning

We have relied on planning information provided to us by the Company. We understand that there are no adverse Town Planning, Highway or other schemes or proposals, which would materially impact our opinion of value. We have assumed that the Properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices that would materially impact our opinion of value. We have assumed that all buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations.

Tenure and Tenancies

We have not read copies of the leases and have instead relied on the tenancy information provided to us by the Company and their lawyers for the purposes of our valuation.

We have not conducted credit enquires into the financial status of any of the tenants. However, in undertaking our valuations we have reflected our understanding of the market perception of the financial status of the tenants. We have also assumed that each tenant is capable of meeting its leasehold obligations and that there are no undisclosed breaches of covenant. The majority of rental income is either from GP's subject to NHS rent reimbursement or from NHS Property Services or NHS Trusts.

Responsibility

This Valuation and the Schedule are provided to the addressees as set out on the first page of this certificate in accordance with Rule 29 of the Code and solely for the purpose of the Merger. We acknowledge that this Summary Valuation Report, together with a schedule providing a breakdown of the aggregate valuation contained herein, will be published on a website in accordance with Rule 26.3 of the Code.

For the purposes of Prospectus Rule 5.5.3(R)(2)(f), we are responsible for this Summary Valuation Report and accept responsibility for the information contained in this Summary 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 Summary Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Summary Valuation Report complies with Rule 5.6.5G of the Prospectus Rules and paragraphs 128 to 130 of the ESMA Guidelines.

Except for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent provided under the Prospectus Rules, 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 Summary Valuation Report or our statement set out above required by and given solely for the purposes of complying with Annex 1, item 23.1 of Commission Regulation (EC) No 809/2004.

Neither the whole nor any part of this Summary Valuation Report nor any reference thereto may be included in any other published document, circular or statement, nor published in any way without our written approval of the form and context in which it is to appear. For the avoidance of doubt, such approval is required whether or not Jones Lang LaSalle Limited are referred to by name and whether or not the contents of our Summary Valuation Report are combined with other reports. Such approval shall not be unreasonably withheld. Notwithstanding the foregoing, the contents and data contained in this Summary Valuation Report may be cited and summarised elsewhere in the Prospectus and the Scheme Document.

Notwithstanding any other provision contained within this Summary Valuation Report, this Summary Valuation Report may also be relied upon by PHP and may be disclosed in any litigation or regulatory enquiry or investigation or action in connection with the Merger.

Jones Lang La Salle has given and not withdrawn its consent for the inclusion of this Summary Valuation Report in the Prospectus and the Scheme Document.

Yours faithfully,

Andrew Sproson
FRICS Director

For and on behalf of
Jones Lang La Salle Limited

Richard Petty
FRICS Lead Director

For and on behalf of
Jones Lang La Salle Limited

Alan Bennett
MRICS Director

For and on behalf of
Jones Lang La Salle Limited