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(in its capacity as Financial Advisor to MedicX)

8 February 2019

Dear Sirs,

PROPERTY PORTFOLIO VALUATION

1. INTRODUCTION

In accordance with our instructions we have considered the properties owned by Primary Health Properties PLC (“**PHP**”) in order to advise you of our opinion of the Market Value of the freehold / heritable and leasehold interests of the properties held as investments as at 31 December 2018. We have not found it necessary to qualify the definition of Market Value, as stated below, within this report. We have also provided an estimate of net annual rents receivable as at 31 December 2018.

The valuation has been prepared in accordance with the relevant provisions of the City Code on Takeovers and Mergers (the “**Code**”) and paragraph 130 of ESMA’s update to the CESR recommendations for the consistent implementation of the Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive (the “**ESMA Guidelines**”), to which we refer below. Each property has been valued individually and not as part of a portfolio.

Our valuation has been carried out in accordance with The Royal Institution of Chartered Surveyors Valuation Guidance as set out within the 2017 Global Standards and with particular reference to the local Professional Standards – UK (the “**Red Book**”) and in accordance with the Prospectus Rule 5.6.5 and paragraph 128-130 of the ESMA Guidelines. It has been undertaken by External Valuers, as defined in the Red Book (independent experts for the purposes of paragraph 130 of the ESMA Guidelines).

We understand that our valuation is required in connection with the Prospectus to be published in connection with the proposed all-share offer by PHP for MedicX Fund Limited and the admission of new ordinary shares in the capital of PHP to the premium listing segment of the Official List of the

Financial Conduct Authority and to trading on the London Stock Exchange PLC's main market for listed securities.

In accordance with Practice Statement 5 we confirm that Lambert Smith Hampton ("LSH") has held a fee earning relationship with PHP for approximately 21 years with the signatory to this report having signed annual and interim valuation reports for the client for 14 years. We confirm that in the preceding year the proportion of the total fees payable by PHP to the total fee income of LSH is less than 5 per cent.

The RICS consider it good practice to rotate the valuer responsible when a series of valuations is provided over a period of time and we confirm that LSH follow this practice.

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

We confirm that we do not have any material interest in the Company or any of the properties.

The properties were inspected on various dates within the last 36 months, in accordance with an agreed three year rolling programme of inspections, by various qualified surveyors. A summary of the dates of inspection are set out below:

Year	Number	Percentage
2016	93	30%
2017	111	35%
2018	101	32%
2019	8	3%
TOTAL	313	100%

Timothy Sandford MRICS has undertaken this valuation report and is qualified for the purposes of this instruction.

2. BASIS OF VALUATION

In accordance with the Red Book, the Code, the Prospectus Rules and the Listing Rules, our valuation has been prepared on the basis of Market Value, which under Practice Statement PS 3.2, the Red Book defines as:

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

We have had no reason to qualify this definition.

Special Assumptions

PHP is currently committed to acquiring a property in the course of development. We understand that investment property under construction is now to be brought into the scope of IAS 40 Investment Property. Therefore we have provided a Market Value of this property on the following Special Assumptions:

- *that all works to construct the proposed development have been completed fully and to an acceptable standard in accordance with plans and specifications provided to us;*
- *the leases to the various occupiers have been completed in accordance with the agreed lease terms you have provided to us; and*
- *the rent and other tenant obligations under the leases commence on the Valuation Date.*

Our valuations are also carried out in accordance with the definitions, assumptions and comments as detailed within our "Terms of Engagement".

3. SCOPE OF REPORT

The scope of this report extends to the properties owned as at 31 December 2018 and those within the course of construction with a legal commitment to purchase.

4. TENURE AND TENANCIES

Our valuations have been based upon the details of tenure and tenancies and other information provided by PHP. In addition, we have previously been provided with Certificates of Title supplied to us by PHP's solicitors. Where possible this information has been confirmed during our inspections of the properties and individual leases.

In considering the covenant strength of individual tenants we have not carried out any recent credit enquiries on their financial status. We have, however, reflected in our valuations our general understanding of purchasers' likely perceptions of tenants' financial status.

5. NET ANNUAL RENTS

When assessing values of the properties we have had regard to the annual rents receivable for each property. We have had regard to the definition of "net annual rent" given in LR Appendix 1. This defines "net annual rent" as the current income or income estimated by the valuer:

- (1) Ignoring any special receipts or deductions arising from the properties;
- (2) Excluding Value Added Tax and before Taxation (including tax on profits and allowances for interest on capital and loans);
- (3) 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; and
- (4) Where premises are let on effective full repairing and insuring leases, the net annual rents receivable stated in the Schedule are the presently contracted rents payable under those leases without any deductions for the cost of management or any other expenses.

6. FLOOR AREAS

We have clarified the floor areas of the properties in the preparation of our valuations which have been prepared strictly in accordance with the RICS Professional Statement – RICS Property Measurement, 1st Edition, May 2015.

We have not carried out measured site surveys but site areas have been calculated from observed site boundaries and with reference to the appropriate Ordnance Survey extracts.

We confirm that all of the properties have been measured by Lambert Smith Hampton other than those under construction. All of the properties have been inspected (other than the residential elements) within the last 36 months under an agreed rolling programme of inspections.

7. CONDITION AND REPAIR

We have not undertaken a structural survey of any of the properties, or arranged for any tests or inspections to be carried out on any of the service installations. Furthermore, no detailed examinations have been carried out to determine whether any deleterious materials such as high alumina cement, woodwool slab or blue asbestos have been used in the construction of any of the buildings and the valuations are therefore made on the assumption that no such materials exist.

We have not made exhaustive enquiries of the statutory authorities and would point out that the complexity of building regulations and other statutory enactments often have a material effect on the way in which a building is planned and used upon the cost of consequential works.

Unless otherwise stated in the Certificate of Title we have assumed that each property has a valid and up to date Fire Certificate and that it complies with the Health & Safety Act 1974, Building Regulations and all other statutory enactments. We have further assumed that there are no outstanding liabilities arising out of the provisions of the Defective Premises Act 1972.

8. ENVIRONMENTAL PROTECTION ACT

Our valuations have been prepared on the basis that the properties have not been used for any purpose which may at a later stage be regarded as contaminative and that no contamination exists. Should it, however, be subsequently established that such contamination exists at any of the properties or any adjoining land or that any premises have been or are being put to contaminative use, this may be found to have a detrimental effect on the value reported.

9. PLANT AND MACHINERY

We have included in our valuation plant and machinery items normally regarded as forming part of the “building” service installation.

10. TOWN PLANNING

Oral enquiries of the planning and other relevant local authorities have been made in respect of each property and we have made all such enquiries as are appropriate to particular local conditions. We have assumed, except where stated to the contrary that all buildings are currently used in accordance with the relevant local authority approval and all conditions imposed on such consents have been adhered to.

Primary Health Properties PLC has confirmed to us in writing that all properties referred to in this Report have all the relevant planning permissions in accordance with the relevant local authority approval and all conditions imposed on such consents have been adhered to.

11. GENERAL COMMENTS

We have assumed that all the properties are capable of unrestricted transfer to third party purchasers (in the case of leasehold property, subject to the lessor’s consent, not to be unreasonably withheld) and have made no allowance to reflect the balance of outstanding mortgages which may exist, either in respect of the capital or interest rolled up thereon.

No allowances have been made in our valuations for any expenses of realisation, neither have we reflected any element of “marriage value” or “special purchaser value” which could possibly be realised by a merger of interests or by a sale to an owner or occupier of an adjoining property.

No allowance has been made for any liability which may arise for payment of corporation tax or capital gains tax or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. We would also specifically draw your attention to the fact that the valuations stated within this report are exclusive of any value added tax liability which may be incurred.

To the extent that we have been supplied with information by PHP and/or its solicitors or by other professional advisers, we have assumed in preparing the valuations that such information is accurate in all respects.

In the valuation of the portfolio, we have valued each property separately and not as part of the portfolio. Accordingly, we have made no allowance, either positive or negative, in the aggregate value reported to reflect the possibility of the whole or part of the portfolio being placed on the market at any one time.

For each individual valuation we have made an allowance for hypothetical purchasers’ costs of acquisition.

12. VALUATION

Subject to the comments and assumptions set out in this report and subject to the comments in the LSH “Terms of Engagement for Valuation Services”, we are of the opinion that the aggregate Market Value of the freehold / heritable and long leasehold interests in the investment properties as at 31 December 2018, is:

£1,502,879,734
(One Billion, Five Hundred and Two Million Eight Hundred and
Seventy Nine Thousand Seven Hundred and Thirty Four Pounds)

made up as follows:

Category of Property	Number of properties owned as at 31 December 2018	Value of properties owned as at 31 December 2018 (£)	ESMA 130(v)
Freehold/Heritable			
Properties held as investments	263	1,231,384,972	
Leasehold			
Properties held as investments	49	265,549,229	
Properties which are in the course of construction			
Properties to be held as investments	1	5,945,533	
Total	313	1,502,879,734	

We are not aware of any material change in circumstances between the date of the valuation and the date of this valuation report that would affect the valuation.

The total valuation stated above is the same as that of the valuation undertaken for PHP for the purposes of its Annual Report as at 31 December 2018.

GEOGRAPHICAL SPLIT OF PROPERTIES

A typical property will comprise a purpose built two storey medical centre with on site parking for both staff and patients. Internally the building will be arranged to provide reception area, consulting rooms, offices and normal facilities associated with a surgery. Some sites also have a pharmacy and possibly a convenience store in separate buildings.

Total in number	Geographical region	Combined Net Annual Rent £ pa	Combined Market Value £
81	North, Yorkshire and Humberside	21,694,762	429,040,000
64	Midlands and East Anglia	15,531,568	293,805,000
81	South East and London	15,950,712	306,210,000
22	South West	4,392,146	90,310,000
25	Wales	6,307,928	124,755,000
32	Scotland	8,878,883	175,800,000
8	Republic of Ireland	5,704,800	82,959,734*
313		78,460,799	1,502,879,734

* The properties in the Republic of Ireland have been valued at a total of €92,301,000 and this value has been converted to the sterling equivalent shown above based on a conversion rate as at 31 December 2018 of 1:1.126.

DEVELOPMENT SUMMARY

	Bray PCC, Ireland	
	£m	€m
Total costs		
Land acquisition	3.8	4.2
Construction costs and associated fees	2.1	2.4
Total per valuation 31 December 2018	5.9	6.6
Costs to complete	16.0	17.8
Total gross valuation	21.9	24.4
Planning permission	Yes	
Date of planning consent*	7 August	
Anticipated completion date	2015	
	Autumn 2019	

* There are no conditions attaching to the consent which affect the value of the property.

This valuation has been prepared for inclusion in the Prospectus and the Scheme Document.

This valuation is provided to the addressees as set out on the first page of this report in accordance with Rule 29 of the Code and solely for the purpose of the Merger. We acknowledge that this valuation report will be published on a website in accordance with Rule 26.3 of the Code.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information within this report and valuation, and declare that we have taken all reasonable care to ensure that the information contained in this report and valuation is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

LSH has given and not withdrawn its consent for the inclusion of this valuation report in the Prospectus and the Scheme Document.

Yours faithfully

Tim Sandford

Director

For and on behalf of Lambert Smith Hampton