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("Capital & Regional" or "the Company")



**CAPITAL &
REGIONAL**

RECOMMENDED CASH AND SHARE OFFER FOR CAPITAL & REGIONAL

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

24 September 2024

RECOMMENDED CASH AND SHARE OFFER

by

NEWRIVER REIT PLC

for

CAPITAL & REGIONAL PLC

to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

Summary and highlights

- The boards of NewRiver REIT plc ("**NewRiver**") and Capital & Regional plc ("**Capital & Regional**") are pleased to announce that they have reached agreement on the terms and conditions of a recommended cash and share offer pursuant to which NewRiver will acquire the entire issued and to be issued share capital of Capital & Regional (the "**Combination**", forming the "**Combined Group**"). The Combination is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Combination, Scheme Shareholders will be entitled to receive:
 - for each Capital & Regional Share** • **31.25 pence in cash; and**
 - **0.41946 New NewRiver Shares**

On the basis of the Closing Price per NewRiver Share of 74.5 pence on 22 May 2024 (being the last Business Day before the Offer Period commenced (the "**Offer Period Last Practicable Date**")), the terms of the Combination imply a value of 62.5 pence per Capital & Regional Share and approximately £147 million for the entire issued, and to be issued, ordinary share capital of Capital & Regional, which represents a premium of approximately:

- 21 per cent. to the undisturbed Closing Price of a Capital & Regional Share of 51.5 pence on the Offer Period Last Practicable Date;
- 21 per cent. to the three-month VWAP of 51.7 pence per Capital & Regional Share on the Offer Period Last Practicable Date; and
- 18 per cent. to the six-month VWAP of 53.0 pence per Capital & Regional Share on the Offer Period Last Practicable Date.
- Under the terms of the Combination, Capital & Regional Shareholders will, in aggregate, receive approximately 98,527,475 New NewRiver Shares and, immediately following completion of the Combination, will own approximately 21 per cent. of the issued ordinary share capital of NewRiver (based on the existing issued ordinary share capital of NewRiver and the issued and to be issued ordinary share capital of Capital & Regional as at the Last Practicable Date).
- In addition, pursuant to the terms of the Combination:
 - Capital & Regional Shareholders will be entitled to receive and retain an interim dividend declared by Capital & Regional in respect of the six month period to 30 June 2024, which is expected to be paid to entitled Capital & Regional Shareholders on 27 September 2024, with such dividend not to exceed an amount of 2.85 pence per Capital & Regional Share (the "**Capital & Regional Interim Dividend**");
 - Capital & Regional Shareholders will, once they have become NewRiver Shareholders following completion of the Combination, be entitled to receive an interim dividend to be declared by NewRiver in respect of the six month period to 30 September 2024, which is expected to be declared in November 2024 and paid to NewRiver Shareholders on the register of members of NewRiver on a record date to be set after the expected record time for the Scheme to effect the Combination (the "**Scheme Record Time**"), with such interim dividend to be in an amount of not less than 3.0 pence per NewRiver Share (the "**NewRiver Interim Dividend**"). Therefore, Scheme Shareholders who retain their New NewRiver Shares following completion of the Combination, and at the record date to be set for the NewRiver Interim Dividend (assuming such record date falls after the expected Scheme Record Time), will receive the NewRiver Interim Dividend; and
 - if the record date for the NewRiver Interim Dividend is a date prior to the Scheme Record Time, Capital & Regional will declare and pay, prior to the Scheme Record Time, a further interim dividend of 1.3 pence per Capital & Regional Share which Capital & Regional Shareholders will be entitled to receive and retain (the "**Capital & Regional Additional Dividend**").
- If, on or after the date of this announcement and on or prior to the date on which the Combination becomes Effective, Capital & Regional announces, declares, makes or pays:
 - any dividend, distribution or form of capital return in excess of the Capital & Regional Interim Dividend;
 - in the event that the record date for the NewRiver Interim Dividend is a date prior to the Scheme Record Time, any dividend, distribution or form of capital return in excess of any Capital & Regional Additional Dividend; and/or
 - any other dividend, distribution or form of capital return,

(each a "**Capital & Regional Additional Distribution**"), Capital & Regional Shareholders will be entitled to receive and retain such Capital & Regional Additional Distribution but NewRiver will be entitled to reduce the consideration payable pursuant to the terms of the Combination by an amount equivalent to all or any part of such Capital & Regional Additional Distribution.

- The cash consideration payable by NewRiver pursuant to the terms of the Combination will be funded from NewRiver's existing cash resources, including the net proceeds of the Placing (as announced on 18 September 2024, pursuant to which NewRiver raised net proceeds of £48.9 million, in aggregate). The cash consideration is priced in pounds sterling. However, Capital & Regional Shareholders on Capital & Regional's South African Register will, as is required as a consequence of Capital & Regional's secondary listing on the JSE, receive any cash consideration due to them under the terms of the Combination (as well as any Capital & Regional Additional Dividend) in South African Rand. The Scheme Document will include further details in relation to these currency exchanges. Further details in respect of the proposed treatment of Capital & Regional Shareholders who hold their Capital & Regional Shares on Capital & Regional's South African Register will also be set out in the Scheme Document.
- The Combination constitutes a "significant transaction" for NewRiver for the purposes of the UK Listing Rules, and this announcement constitutes a notification pursuant to Chapter 7 of the UK Listing Rules.

Highlights of the Combination

- The boards of NewRiver and Capital & Regional believe that the Combination has a strong strategic, operational and financial rationale, further details of which are set out below:
 - **Combination of high-quality, complementary assets** – Capital & Regional's portfolio comprises six community shopping centres predominantly located in London and South East England and principally let to low-risk, essential and value-oriented retailers that are highly complementary to NewRiver's existing portfolio. Both portfolios comprise retail assets that are well-located to satisfy convenience-led shopping by an attractive customer base, with over 70 per cent. of shoppers in both NewRiver's and Capital & Regional's assets travelling less than five miles and over 55 per cent. of shoppers having above average post-tax net incomes. NewRiver believes that the disposal of non-core assets in recent years and the acquisition of The Gyle in Edinburgh in September 2023 have enhanced the quality and complementary nature of Capital & Regional's remaining portfolio;
 - **Creation of a c. £0.9 billion retail portfolio** - the Combined Group will have a portfolio focused on community shopping centres and retail parks, generating annualised rent of approximately £90 million, valued in aggregate at c.£889 million (based on the property valuation reports for NewRiver prepared by Knight Frank and Colliers, as set out in Parts A and B of Appendix 4 to this announcement and the property valuation report on Capital & Regional's portfolio prepared by Knight Frank, as set out in Part C of Appendix 4 to this announcement) (comprising 47 assets) and with assets under management of c.£2.4 billion (comprising 84 assets);
 - **Low-risk tenant profile with an attractive income profile and opportunities to add value** - the Combined Group's portfolio will benefit from complementary low-risk tenant bases with low levels of tenant concentration. Approximately 87 per cent. of Capital & Regional's retail tenant base by rent is comprised of retail tenants focused on value and essential goods and services, comparable to approximately 80 per cent. of NewRiver's retail tenant base. The Combined Group's portfolio risk profile will be aligned with UK retail and industrial sector averages, by reference to the projected cumulative tenant probability of failure, with the benefit of a material yield premium and with an equivalent yield of approximately 8.5 per cent. compared to the UK retail and industrial sector averages of 6.8 per cent. and 6.1 per cent., respectively. With an affordable occupational cost ratio of c. 8.8 per cent. and strong in-store sales growth, the combined portfolio would be well-positioned for future rental growth, supported by ongoing asset management opportunities within Capital & Regional's portfolio, such as increasing occupancy and improving gross-to-net ratios;
 - **Material cost savings and significant earnings accretion** – the Combination is expected to unlock approximately £6.2 million of net pre-tax run-rate recurring annual cost synergies, the majority of which are expected to be effective shortly following completion of the Combination with the full benefit of the synergies from the Combination expected to be unlocked within 12 months of completion of the

Combination on an annualised basis. These cost savings are expected to arise from the removal of duplicative functions and the rationalisation of listing and other administrative and operational expenses, as outlined in the Quantified Financial Benefits Statement set out in this announcement. The Combination is expected to generate a strong income return and mid- to high-teens accretion to UFFO per share, enhancing the Combined Group's ability to pay a materially higher, covered dividend;

- **Balance sheet strength maintained and debt maturity profile diversified** - the Combined Group will seek to preserve a robust and conservatively leveraged balance sheet in line with NewRiver's existing LTV guidance. On completion of the Combination, the Combined Group will benefit from a weighted average cost of 3.5 per cent. across drawn debt of £444 million with no maturity on drawn debt until January 2027 as well as continuing to benefit from substantial available liquidity, improved debt optionality and expected cost of capital benefits resulting from the increased scale of the Combined Group; and
- **Increased share liquidity with expanded shareholder base** – the Combination will create an enlarged REIT with enhanced equity market profile and a broader shareholder base, with shareholders benefitting from the potential for increased share liquidity and larger weightings in key indices.

Recommendations

Recommendation of Independent Capital & Regional Directors

- The Independent Capital & Regional Directors, who have been so advised by Numis Securities Limited ("**Deutsche Numis**") and Stifel Nicolaus Europe Limited ("**Stifel**") as to the financial terms of the Combination, consider the terms of the Combination to be fair and reasonable. In providing their advice to the Independent Capital & Regional Directors, Deutsche Numis and Stifel have each taken into account the commercial assessments of the Independent Capital & Regional Directors. Deutsche Numis and Stifel are providing independent financial advice to the Independent Capital & Regional Directors for the purposes of Rule 3 of the Code.
- **Accordingly, the Independent Capital & Regional Directors intend to recommend unanimously that Capital & Regional Shareholders vote, or procure the vote, in favour of the Scheme at the Court Meeting (or, in the event that the Combination is implemented by a Takeover Offer, accept, or procure the acceptance of, such Takeover Offer) and in favour of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting.**
- Norbert Sasse and Panico Theocharides, non-executive directors of Capital & Regional, are Growthpoint's nominated representatives on the Capital & Regional Board. As noted below, Growthpoint, in its capacity as Capital & Regional's largest shareholder, has given an irrevocable undertaking to vote, or procure the vote, in favour of the Scheme at the Court Meeting and of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting (or, in the event that the Combination is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, such Takeover Offer). As a result of this, and of Growthpoint's interest in Capital & Regional, Norbert Sasse and Panico Theocharides have not participated in the decision to recommend the Combination to Capital & Regional Shareholders.
- **Those Capital & Regional Directors who hold Capital & Regional Shares have irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting (or, in the event that the Combination is implemented by a Takeover Offer, accept, or procure the acceptance of, such Takeover Offer) and in favour of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting in respect of their own, and their connected persons', beneficial holdings of, in aggregate, 437,212 Capital & Regional Shares, representing approximately 0.19 per cent. of the issued ordinary share capital of Capital & Regional on the Last Practicable Date.**

Recommendation of NewRiver Directors

- The NewRiver Board, which has been so advised by Jefferies International Limited (“**Jefferies**”) as to the financial terms of the Combination, considers the Combination to be in the best interests of NewRiver Shareholders, as a whole. In providing its advice, Jefferies has taken into account the commercial assessments of the NewRiver Board.
- **The NewRiver Board intends unanimously to recommend that NewRiver Shareholders vote, or procure the vote, in favour of the NewRiver Resolutions to be proposed at the NewRiver General Meeting which is to be convened to approve, amongst other things, certain matters in connection with the Combination, as those NewRiver Directors who hold NewRiver Shares have irrevocably undertaken to do in respect of their own beneficial holdings of, in aggregate, 1,383,602 NewRiver Shares, representing approximately 0.37 per cent. of the issued ordinary share capital of NewRiver on the Last Practicable Date.**

Shareholder support

- All Capital & Regional Directors that hold Capital & Regional Shares have irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting (or in the event that the Combination is implemented by a Takeover Offer, to accept, or procure the acceptance of, such Takeover Offer) in respect of 437,212 Capital & Regional Shares in aggregate, representing approximately 0.19 per cent. of the issued ordinary share capital of Capital & Regional on the Last Practicable Date.
- Capital & Regional’s largest shareholder, Growthpoint, is fully supportive of the Combination and, accordingly, has irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting (or, in the event that the Combination is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, such Takeover Offer), in respect of 160,648,081 Capital & Regional Shares, in aggregate, representing approximately 69 per cent. of the issued ordinary share capital of Capital & Regional on the Last Practicable Date. Following completion of the Combination, Growthpoint is expected to hold NewRiver Shares equivalent to approximately 14 per cent. of the enlarged issued ordinary share capital of NewRiver (based on the existing issued ordinary share capital of NewRiver and the issued and to be issued ordinary share capital of Capital & Regional as at the Last Practicable Date). Growthpoint has also undertaken not to sell any New NewRiver Shares which may be issued to it under the terms of the Combination (i) for a period of five months following the Effective Date without the prior written consent of NewRiver and other than through NewRiver’s financial adviser; and (ii) for a further period of four months thereafter, without first giving NewRiver reasonable written notice of any such sale, in both cases subject to certain customary exceptions.
- In total, NewRiver has therefore received irrevocable undertakings in respect of, in aggregate, 161,085,293 Capital & Regional Shares, representing approximately 69.1 per cent. of the issued ordinary share capital of Capital & Regional on the Last Practicable Date.
- Further details of these irrevocable undertakings, including the circumstances in which the obligations thereunder cease to apply, are set out in Appendix 3 to this announcement.

Dividend policy

- Following the completion of the Combination, the Combined Group would continue to pursue NewRiver's dividend policy of paying dividends equivalent to 80 per cent. of UFFO, with any top-up, including where required to ensure compliance with the REIT regime, to be confirmed at the Combined Group’s full year results.

Conditions and timetable

- It is intended that the Combination will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act although NewRiver reserves the right to effect the Combination by way of a Takeover Offer, subject to the consent of the Panel.

- NewRiver will also be required to produce a circular and a prospectus (the “**Prospectus**”) in connection with, amongst other things: (i) facilitating the admission to trading and listing of the New NewRiver Shares to be allotted and issued to Capital & Regional Shareholders as consideration in connection with the Combination; and (ii) convening a general meeting of NewRiver Shareholders to seek certain shareholder approvals that are required to facilitate the Combination, including the approval of the NewRiver Combination Resolution(s). It is expected that the Prospectus will be published at or around the same time as the Scheme Document is published and posted to Capital & Regional Shareholders.
- Under the terms of the Combination, the Scheme will be put to Scheme Shareholders at the Court Meeting, the Capital & Regional Resolution(s) will be put to Capital & Regional Shareholders at the Capital & Regional General Meeting and the NewRiver Resolution(s) (including the NewRiver Combination Resolution(s) will be put to NewRiver Shareholders at the NewRiver General Meeting. The Combination is conditional upon the resolutions to be put to Scheme Shareholders at the Court Meeting, Capital & Regional Shareholders at the Capital & Regional General Meeting and the NewRiver Combination Resolution(s) to NewRiver Shareholders at the NewRiver General Meeting, in each case, being passed by the requisite majorities. The Combination is not conditional upon the NewRiver Additional Resolutions being passed by the requisite majorities at the NewRiver General Meeting.
- In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders (or, if applicable, the relevant class or classes thereof).
- In addition, at the Capital & Regional General Meeting, the Capital & Regional Resolution(s) must be passed by Capital & Regional Shareholders representing at least 75 per cent. of the votes validly cast on the resolution(s), whether in person or by proxy. The Capital & Regional General Meeting will be held immediately after the Court Meeting.
- At the NewRiver General Meeting, the NewRiver Combination Resolution(s), which will authorise the NewRiver Directors to allot New NewRiver Shares to Capital & Regional Shareholders as consideration for the Combination, will require the approval of a simple majority of votes cast, in person or by proxy, in order to be passed. The NewRiver General Meeting will be held at or around the same time as the Capital & Regional Meetings.
- In addition, the NewRiver Additional Resolutions will also be proposed at the NewRiver General Meeting. The NewRiver Additional Resolutions will be proposed: (i) to grant the NewRiver Directors authority to allot new NewRiver Shares on ongoing basis until the conclusion of NewRiver’s annual general meeting in 2025 pursuant to section 551 of the Companies Act, which resolution must be passed by NewRiver Shareholders representing more than 50 per cent. of the votes validly cast on such resolution, whether in person or by proxy, and (ii) to dis-apply statutory pre-emption rights in connection with the allotment of any such new NewRiver Shares on an ongoing basis until the conclusion of NewRiver’s annual general meeting in 2025 pursuant to section 571 of the Companies Act, which resolution must be passed by NewRiver Shareholders representing at least 75 per cent. of the votes validly cast on such resolution(s), whether in person or by proxy. The NewRiver Directors have no present intention to utilise the authorities proposed to be granted to them pursuant to the NewRiver Additional Resolutions.
- In addition to the conditions relating to the Capital & Regional and NewRiver shareholder approvals referred to above, the other principal conditions to which the Combination is subject are as follows:
 - the receipt of approval from the FCA to the proposed change of control of a regulated entity within the Capital & Regional Group;
 - the FCA having acknowledged that the application for the admission of the New NewRiver Shares to the Equity Shares (Commercial Companies) category of the Official List has been approved and will become effective subject to the satisfaction of any listing conditions;

- the London Stock Exchange having acknowledged to NewRiver that the New NewRiver Shares will be admitted to trading on the Main Market of the London Stock Exchange;
 - the Scheme being sanctioned by the Court (without modification, or with modification on terms agreed by NewRiver and Capital & Regional with the consent of the Panel); and
 - following such sanction, a copy of the Scheme Court Order being delivered to the Registrar of Companies.
- Subject to the satisfaction or waiver (as applicable) of the Conditions and the further terms set out in Appendix 1 to this announcement and to the full terms and conditions relating to the Combination to be set out in the Scheme Document, the Scheme is expected to become Effective in early 2025. An expected timetable of principal events will be included in the Scheme Document.
 - It is expected that the Scheme Document containing, amongst other things, further information about the Combination and notices of the Capital & Regional Meetings, together with the Capital & Regional Forms of Proxy, and the Prospectus containing, amongst other things, further information on NewRiver and the Combined Group and notice of the NewRiver General Meeting, together with the NewRiver Form of Proxy, will be published within 28 days of the date of this announcement (or such later date as may be agreed by NewRiver and Capital & Regional with the consent of the Panel).

Comments on the Combination

Commenting on the Combination, Lynn Fordham, Chair of NewRiver said:

"This is a compelling transaction which has a strong strategic, operational and financial rationale at an attractive point in the market cycle. Combining the complementary retail portfolios of NewRiver and Capital & Regional will create an enlarged specialist REIT with a c. £0.9 billion portfolio of high quality, well-located assets, including 29 community shopping centres and 13 retail parks across the UK and Northern Ireland. Both portfolios share a focus on convenience, value and essential goods and services, and are well positioned to benefit from future rental growth, supported by NewRiver's retail asset management platform.

"In addition to providing enhanced scale with total assets under management, including NewRiver's existing Capital Partnerships business, of approximately £2.4 billion, the transaction will offer substantial cost savings and significant earnings accretion, enhancing the Combined Group's ability to pay a materially higher, covered dividend, whilst increased scale should also benefit future share liquidity for shareholders".

Commenting on the Combination, David Hunter, Chair of Capital & Regional said:

"The combination of these two complementary portfolios provides our shareholders with both upfront liquidity through the cash element and equity exposure to an enlarged UK REIT, offering increased share liquidity from a broader shareholder base. In addition, the Combination will result in further asset and tenant diversification and lower operating costs than would otherwise be achieved by Capital & Regional on a standalone basis. Capital & Regional Shareholders will also benefit from exposure to a business with a £0.9 billion property portfolio, a strong balance sheet and a combined track record of sustained dividend growth, providing an excellent opportunity to deliver ongoing value for shareholders.

"When weighing the standalone prospects of Capital & Regional against the Combination, and in light of Growthpoint's intentions regarding its majority stake, we believe this offer is in the best interests of Capital & Regional Shareholders and are pleased to unanimously recommend it to them".

The above summary should be read in conjunction with, and is subject to, the full text of this announcement (including its Appendices). The Combination will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains bases and sources of certain information contained in this announcement. Details of irrevocable undertakings

received are set out in Appendix 3. Property valuation reports for Capital & Regional and NewRiver (as at 30 June 2024) are set out in Appendix 4 pursuant to Rule 29 of the Code. These property valuation reports will, subject to the requirements of the Code, be reproduced in the Scheme Document and the Prospectus. Each of Knight Frank, Colliers and CBRE has given and has not withdrawn its consent to the publication of its valuation report in this announcement in the form and context in which it is included. Appendix 5 sets out the Quantified Financial Benefits Statement relating to cost savings and synergies arising out of the Combination and provides underlying information and bases of belief. Appendix 5 also includes reports from NewRiver’s reporting accountant, BDO, and its lead financial adviser, Jefferies, in connection with the Quantified Financial Benefits Statement, as required pursuant to Rule 28.1(a) of the Code. Each of BDO and Jefferies has given and not withdrawn its consent to the publication of its report in this announcement in the form and context in which it appears. Appendix 6 sets out certain information in relation to the Combined Group’s debt position. Appendix 7 sets out certain additional information in relation to the Combined Group’s portfolio. Appendix 8 contains certain information in relation to the top five tenants of each of NewRiver, Capital & Regional and the Combined Group. Appendix 9 contains certain additional property information disclosures. Certain terms used in this summary and this announcement are defined in Appendix 10.

Analyst and Investor Presentation

NewRiver will host a presentation for analysts and investors via webcast at 9.30 a.m. (UK time) today (24 September 2024) to discuss the Combination. To participate in this webcast, please use the following access details:

<https://secure.emincote.com/client/newriver/offer-for-capital-regional>

The presentation will also be accessible on-demand later today on NewRiver’s website: <https://www.nrr.co.uk/investors/possible-offer-for-capital-and-regional-plc>.

Enquiries

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Eversheds Sutherland (International) LLP is acting as legal adviser to NewRiver in connection with the Combination.

CMS Cameron McKenna Nabarro Olswang LLP is acting as legal adviser to Capital & Regional in connection with the Combination.

Further Information

This announcement contains inside information in relation to NewRiver and Capital & Regional for the purposes of Article 7 of the Market Abuse Regulation. This announcement has been authorised for release on behalf of NewRiver by the NewRiver Board. The person responsible for arranging the release of this announcement on behalf of NewRiver is Kerin Williams, Company Secretary.

This announcement is for information purposes only and is not intended to and does not constitute, or form part of an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Combination or otherwise, nor shall there be any sale, issuance or transfer of securities of Capital & Regional or NewRiver in any jurisdiction in contravention of applicable law. In particular, this announcement does not constitute an offer of securities to the public as contemplated in the South African Companies Act, 71 of 2008.

The Combination will be implemented solely pursuant to the terms of the Scheme Document (or, if the Combination is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Combination, including details of how Capital & Regional Shareholders may vote, or procure the vote, in respect of the Combination.

NewRiver will prepare the Prospectus, containing information on the New NewRiver Shares and the Combined Group.

Capital & Regional and NewRiver urge Capital & Regional Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Combination, the New NewRiver Shares and the Combined Group.

NewRiver also urges NewRiver Shareholders to read the Prospectus carefully when it becomes available because it will contain important information in relation to the Combination, the New NewRiver Shares and the Combined Group.

Any decision in respect of, or other response to, the Combination should be made on the basis of the information contained in the Scheme Document and the Prospectus (or, in the event that the Combination is to be implemented by means of a Takeover Offer, the Offer Document) and the Prospectus.

Any vote in respect of resolutions to be proposed at the Capital & Regional Meetings or the NewRiver General Meeting, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document (or, if the Combination is implemented by way of a Takeover Offer, the Offer Document) and the Prospectus.

This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

Disclaimers

*Jefferies International Limited ("**Jefferies**"), Panmure Liberum Limited ("**Panmure Liberum**") and Shore Capital Stockbrokers Limited ("**Shore Capital**", and together with Jefferies and Panmure Liberum, the "**Joint Brokers**") are authorised and regulated by the FCA in the United Kingdom. Jefferies is acting as lead financial adviser, Panmure Liberum is acting as sole sponsor, and the Joint Brokers are each acting as joint broker, joint global co-ordinator and joint bookrunner exclusively for NewRiver and no one else in connection with the Combination and shall not be responsible to anyone other than NewRiver for providing the protections afforded to their clients, nor for providing advice in connection with the Combination or any matter referred to herein. None of the Joint Brokers nor any of their affiliates (nor any of them or their respective directors, officers, employees, representatives or agents) owe or accept any duty, liability or responsibility whatsoever (whether*

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Kinmont Limited ("**Kinmont**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for NewRiver and no one else in connection with the Combination and shall not be responsible to anyone other than NewRiver for providing the protections afforded to clients of Kinmont, nor for providing advice in connection with the Combination or any matter referred to herein. Neither Kinmont nor any of its affiliates (nor any of its or their respective directors, officers, employees, representatives or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Kinmont in connection with the Combination, this announcement, any statement contained herein or otherwise.

Numis Securities Limited ("**Deutsche Numis**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Capital & Regional and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Capital & Regional for providing the protections afforded to clients of Deutsche Numis, nor for providing advice in relation to any matter referred to herein. Neither Deutsche Numis nor any of its affiliates (nor any of their respective directors, officers, employees or agents), owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with this announcement, any statement contained herein or otherwise.

Stifel Nicolaus Europe Limited ("**Stifel**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Capital & Regional and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Capital & Regional for providing the protections afforded to clients of Stifel, nor for providing advice in relation to any matter referred to herein.

Java Capital Trustees and Sponsors Proprietary Limited ("**Java Capital**"), which is authorised and regulated in South Africa by the JSE, which is licensed as a securities exchange and is regulated by the Financial Sector Conduct Authority and the Prudential Authority of South Africa, is acting as JSE sponsor exclusively for Capital & Regional and for no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Capital & Regional for providing the protections afforded to clients of Java Capital or for providing advice in relation to the contents of, or matters referred to in, this announcement or any matter referred to herein. Neither Java Capital nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Java Capital in connection with this announcement, any statement or other matter or arrangement referred to herein or otherwise.

Overseas Shareholders

This announcement has been prepared in accordance with, and for the purpose of complying with, the laws of England and Wales and the Code, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom and South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom and South Africa should inform themselves about, and observe any applicable requirements of their jurisdictions.

In connection with the Combination, Capital & Regional Shareholders who are not resident in and citizens of the United Kingdom or may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

In particular, the ability of: persons who are not resident in the United Kingdom or South Africa to vote their Capital & Regional Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Capital & Regional Forms of Proxy appointing another to vote at the Court Meeting on their behalf; and persons who are not resident in the United Kingdom (including, in this instance, persons who are resident in South Africa) to receive New NewRiver Shares in part consideration pursuant to terms of the Combination, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Unless otherwise determined by NewRiver or required by the Code, and permitted by applicable law and regulation, the Combination will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Combination by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Combination. If the Combination is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The Combination will be subject to the applicable requirements of the Companies Act, the Code, the Panel, the UK Listing Rules, MAR, the Financial Conduct Authority, the London Stock Exchange, the Johannesburg Stock Exchange and the JSE Listing Requirements.

The information contained in this announcement constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended ("FAIS Act") and should not be construed as express or implied advice (as that term is used in the FAIS Act and/or the South African Financial Markets Act, 19 of 2012, as amended) that any particular transaction in respect of the Combination, is appropriate to the particular investment objectives, financial situations or needs of a shareholder, and nothing in this announcement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. NewRiver is not a financial services provider licensed as such under the FAIS Act.

Nothing in this announcement should be viewed, or construed, as "advice", as that term is used in the South African Financial Markets Act, 19 of 2012, as amended.

Notice to US investors in Capital & Regional

US holders of Capital & Regional Shares should note that the Combination relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under, and governed by, English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Combination is subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.

The financial information included in this announcement and the Scheme Document (or, if the Combination is implemented by way of a Takeover Offer, the Offer Document) has been, or will have been, prepared in accordance with International Financial Reporting Standards and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The New NewRiver Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10) thereunder, Capital & Regional will advise the Court that its sanctioning of the Scheme will be relied on by NewRiver as an approval of the Scheme following a hearing on the fairness of the terms and conditions of the Scheme to Capital & Regional Shareholders, at which Court hearing all Capital & Regional Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such holders.

None of the securities referred to in this announcement have been approved or disapproved by the SEC or any US state securities commission, nor have any such authorities passed judgment upon the fairness or the merits of the Combination or determined if this announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

Capital & Regional Shareholders who are or will be affiliates (within the meaning of Rule 144 under the US Securities Act) of NewRiver after the Effective Date will be subject to certain US transfer restrictions relating to the New NewRiver Shares received pursuant to the Scheme as will be further described in the Scheme Document.

However, if, in the future, NewRiver exercises the right to implement the Combination by way of a Takeover Offer and determines to extend the offer into the United States, the Takeover Offer will be made in compliance with applicable United States tender offer and securities laws and regulations and the requirements of US state securities laws, in each case, to the extent any exemptions thereunder are not applicable.

A US holder of Capital & Regional Shares should be aware that the transactions contemplated herein may have tax consequences for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Capital & Regional Shareholder is therefore urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Combination.

It may be difficult for US holders of Capital & Regional Shares to enforce their rights and any claims arising out of US federal laws, since each of NewRiver and Capital & Regional are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Capital & Regional Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

To the extent permitted by applicable law, in accordance with normal UK practice, NewRiver, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Capital & Regional Shares outside of the US, other than pursuant to the Combination, until the date on which the Combination and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at www.londonstockexchange.com and via SENS.

Forward-looking Statements

This announcement (including information incorporated by reference into this announcement), oral statements made regarding the Combination, and other information published by NewRiver and Capital & Regional contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of NewRiver and Capital & Regional about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements relating to the expected effects of the Combination on NewRiver and Capital & Regional, the expected timing and scope of the Combination and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of NewRiver's or Capital & Regional's or the Combined Group's operations and potential synergies resulting from the Combination.

Although NewRiver and Capital & Regional believe that the expectations reflected in such forward-looking statements are reasonable, neither NewRiver nor Capital & Regional can give assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There is a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to: the ability to complete the Combination; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions on the proposed terms; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Combination not being realised as a result of changes in general economic and market conditions; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which NewRiver and Capital & Regional operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither NewRiver nor Capital & Regional, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither NewRiver nor Capital & Regional is under any obligation, and each of NewRiver and Capital & Regional expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Quantified Financial Benefits Statement

Statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Neither the Quantified Financial Benefits Statement nor any other statement in this announcement should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of NewRiver or Capital & Regional for the relevant preceding financial period or any other period. For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in this announcement is the responsibility of NewRiver and the NewRiver Directors.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or profit estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for NewRiver or Capital & Regional for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for NewRiver or Capital & Regional.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables and paragraphs may vary slightly and figures shown as totals in certain tables and paragraphs may not be an arithmetic aggregation of the figures that precede them.

Publication on a website

In accordance with Rules 26.1 and 26.2 of the Code, a copy of this announcement and other documents in connection with the Combination will be made available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Capital & Regional's website at <https://capreg.com/investor-info/possible-offer/> and NewRiver's website at <https://www.nrr.co.uk/investors/possible-offer-for-capital-and-regional-plc/disclaimer> by no later than 12 noon (London time) on the first Business Day following the date of this announcement.

For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks is incorporated into or forms part of this announcement.

Requesting hard copy documents

In accordance with Rule 30.3 of the Code, Capital & Regional Shareholders and persons with information rights may request a hard copy of this announcement (and any information incorporated by reference in this announcement), free of charge, by contacting Equiniti during business hours on 0371 384 2438 (from within the United Kingdom) and +44 (0) 121 415 7047 (from outside the United Kingdom) or by submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines will be open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

Capital & Regional Shareholders recorded on the South African Register may request hard copies of this announcement by contacting JSE Investor Services at One Exchange Square, 2 Gwen Lane, Sandown, Sandton 2196, South Africa or on 011 713 0800 (from within South Africa) and +27 11 713 0800 (from outside South Africa) between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (public holidays excepted). Calls to this number from persons who are not resident in South Africa are charged at the applicable international rate. Calls from a mobile device may incur network extras.

For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Combination should be in hard copy form.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or duly authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 (as amended) if you are resident in South Africa or, if not, from an appropriately authorised independent financial adviser.

Scheme Process

In accordance with Section 5 of Appendix 7 of the Code, Capital & Regional will announce through a Regulatory Information Service key events in the Scheme process including the outcomes of the Capital & Regional Meetings and the Scheme Sanction Hearing.

Unless otherwise consented to by the Court and the Panel, any modification or revision to the Scheme will be made no later than the date which is 14 days prior to the Capital & Regional Meetings (or any later date to which such meetings are adjourned). In accordance with Section 11 of Appendix 7 of the Code, if the Scheme lapses or is withdrawn, all documents of title will be returned as soon as practicable and in any event within 14 days of such lapsing or withdrawal.

Information relating to Capital & Regional Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Capital & Regional Shareholders, persons with information rights and other relevant persons for the receipt of communications from Capital & Regional may be provided to NewRiver during the Offer Period as required under Section 4 of Appendix 4 to the Code to comply with Rule 2.11(c) of the Code.

Rule 2.9 of the Code

In accordance with Rule 2.9 of the Code, as at the close of business on the Last Practicable Date, NewRiver confirms that its issued share capital consisted of 378,176,668 ordinary shares of one penny each, of which 3,109,959 ordinary shares are held in the Employee Benefit Trust ("**EBT**"). Accordingly, the total number of voting rights in the Company is 375,066,709. The Company does not hold any

shares in treasury. The International Securities Identification Number ("**ISIN**") of the ordinary shares is GB00BD7XPJ64.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS, PROSPECTUS EQUIVALENT DOCUMENT OR SCHEME DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE COMBINATION OR NEW NEWRIVER SHARES EXCEPT ON THE BASIS OF INFORMATION IN THE SCHEME DOCUMENT AND THE PROSPECTUS WHICH ARE PROPOSED TO BE PUBLISHED IN DUE COURSE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

24 September 2024

RECOMMENDED CASH AND SHARE OFFER

by

NEWRIVER REIT PLC

for

CAPITAL & REGIONAL PLC

to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

1. INTRODUCTION

The boards of NewRiver REIT plc ("**NewRiver**") and Capital & Regional plc ("**Capital & Regional**") are pleased to announce that they have reached agreement on the terms and conditions of a recommended cash and share offer pursuant to which NewRiver will acquire the entire issued and to be issued share capital of Capital & Regional (the "**Combination**", forming the "**Combined Group**"). The Combination is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

2. THE COMBINATION

Under the terms of the Combination, Scheme Shareholders will be entitled to receive:

- for each Capital & Regional Share**
- **31.25 pence in cash; and**
 - **0.41946 New NewRiver Shares**

On the basis of the Closing Price per NewRiver Share of 74.5 pence on 22 May 2024 (being the last Business Day before the Offer Period commenced (the "**Offer Period Last Practicable Date**")), the terms of the Combination imply a value of 62.5 pence per Capital & Regional Share and approximately £147 million for the entire issued, and to be issued, ordinary share capital of Capital & Regional, which represents a premium of approximately:

- 21 per cent. to the undisturbed Closing Price of a Capital & Regional Share of 51.5 pence on the Offer Period Last Practicable Date;
- 21 per cent. to the three-month VWAP of 51.7 pence per Capital & Regional Share on the Offer Period Last Practicable Date; and
- 18 per cent. to the six-month VWAP of 53.0 pence per Capital & Regional Share on the Offer Period Last Practicable Date.

Under the terms of the Combination, Capital & Regional Shareholders will, in aggregate, receive approximately 98,527,475 New NewRiver Shares and, immediately following completion of the Combination, will own approximately 21 per cent. of the issued ordinary share capital of NewRiver (based on the existing issued ordinary share capital of NewRiver and the issued and to be issued ordinary share capital of Capital & Regional as at the Last Practicable Date).

In addition, pursuant to the terms of the Combination:

- Capital & Regional Shareholders will be entitled to receive and retain an interim dividend declared by Capital & Regional in respect of the six month period to 30 June 2024, which is expected to be paid to entitled Capital & Regional Shareholders on 27 September 2024, with such dividend not to exceed an amount of 2.85 pence per Capital & Regional Share (the "**Capital & Regional Interim Dividend**");
- Capital & Regional Shareholders will, once they have become NewRiver Shareholders following completion of the Combination, be entitled to receive an interim dividend to be declared by NewRiver in respect of the six month period to 30 September 2024, which is expected to be declared in November 2024 and paid to NewRiver Shareholders on the register of members of NewRiver on a record date to be set after the expected record time for the Scheme to effect the Combination (the "**Scheme Record Time**"), with such interim dividend to be in an amount of not less than 3.0 pence per NewRiver Share (the "**NewRiver Interim Dividend**"). Therefore, Scheme Shareholders who retain their New NewRiver Shares following completion of the Combination, and at the record date to be set for the NewRiver Interim Dividend (assuming such record date falls after the expected Scheme Record Time), will receive the NewRiver Interim Dividend; and
- if the record date for the NewRiver Interim Dividend is a date prior to the Scheme Record Time, Capital & Regional will declare and pay, prior to the Scheme Record Time, a further interim dividend of 1.3 pence per Capital & Regional Share which Capital & Regional Shareholders will be entitled to receive and retain (the "**Capital & Regional Additional Dividend**").

If, on or after the date of this announcement and on or prior to the date on which the Combination becomes Effective, Capital & Regional announces, declares, makes or pays:

- any dividend, distribution or form of capital return in excess of the Capital & Regional Interim Dividend;
- in the event that the record date for the NewRiver Interim Dividend is a date prior to the Scheme Record Time, any dividend, distribution or form of capital return in excess of any Capital & Regional Additional Dividend; and/or
- any other dividend, distribution or form of capital return,

(each a "**Capital & Regional Additional Distribution**"), Capital & Regional Shareholders will be entitled to receive and retain such Capital & Regional Additional Distribution but NewRiver will be entitled to reduce the consideration payable pursuant to the terms of the Combination by an amount equivalent to all or any part of such Capital & Regional Additional Distribution.

The cash consideration payable by NewRiver pursuant to the terms of the Combination will be funded from NewRiver's existing cash resources, including the net proceeds of the Placing (as announced on 18 September 2024, pursuant to which NewRiver raised net proceeds of £48.6 million, in aggregate). The cash consideration is priced in pounds sterling. However, Capital & Regional Shareholders on Capital & Regional's South African Register will, as is required as a consequence of Capital & Regional's secondary listing on the JSE, receive any cash consideration due to them under the terms of the Combination (as well as any Capital & Regional Additional Dividend) in South African Rand. The Scheme Document will include further details in relation to these currency exchanges. Further details in respect of the proposed treatment of Capital & Regional Shareholders who hold their Capital & Regional Shares on Capital & Regional's South African Register will also be set out in the Scheme Document.

The New NewRiver Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the NewRiver Shares in issue at that time, including the right to receive and retain dividends and other distributions (if any) announced, declared, made or paid by reference to a record date on or after the Effective Date (including, for the avoidance of doubt, the NewRiver Interim Dividend in the event that the record date for such dividend falls after the expected Scheme Record Time). Applications will be made to the FCA for the New NewRiver Shares to be admitted to the Equity Shares (Commercial Companies) category of the Official List and to the London Stock Exchange for the New NewRiver Shares to be admitted to trading on the Main Market of the London Stock Exchange for listed securities.

The Capital & Regional Shares which will be acquired under the Combination will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made or paid on or after the date of this announcement, save for the Capital & Regional Interim Dividend and any Capital & Regional Additional Dividend.

The Combination constitutes a "significant transaction" for NewRiver for the purposes of the UK Listing Rules, and this announcement constitutes a notification pursuant to Chapter 7 of the UK Listing Rules.

3. **BACKGROUND TO, AND REASONS FOR, THE COMBINATION**

NewRiver is a leading real estate investment trust specialising in buying, managing and developing retail assets throughout the UK. Its community shopping centres and conveniently located retail parks are occupied by tenants predominantly focused on providing essential goods and services. Alongside its balance sheet assets, and in order to leverage its high-quality retail asset management platform, NewRiver also has a Capital Partnership business, which generates recurring fee income by providing asset management services to a high quality roster of institutional, private equity and public sector partners. NewRiver's objective is to own and manage the most resilient retail portfolio in the UK, focused on core shopping centres, retail parks, and regeneration opportunities in order to deliver long term attractive recurring income returns and capital growth for its shareholders.

Capital & Regional is a UK-focused retail property REIT specialising in shopping centres serving the non-discretionary and value-orientated needs of their local communities. It has a track record of delivering value enhancing retail and leisure asset management opportunities across a portfolio of tailored in-town community shopping centres. Capital & Regional is listed on the Main Market of the London Stock Exchange and has a secondary listing on the Main Board of the Johannesburg Stock Exchange, with gross assets of £350 million at 30 June 2024 (based on the property valuation report on Capital & Regional's portfolio prepared by Knight Frank, as set out in Part C of Appendix 4 to this announcement) and a market capitalisation of approximately £145 million as at the Last Practicable Date.

The NewRiver Board believes that there is a strong strategic, operational and financial rationale for the Combination and that the Combined Group will benefit from enhanced scale, material cost savings, mid- to high-teens accretion to UFFO per share, better access to acquisition and asset management opportunities, improved debt optionality, expected cost of capital benefits and the potential for increased share liquidity.

Following a challenging period for the UK retail real estate sector, in which capital values have materially rebased, with the MSCI UK Shopping Centres Index declining by 53 per cent. between June 2019 and June 2024, the NewRiver Board believes the Combination represents a unique opportunity to create a significantly enlarged portfolio at an attractive point in the market cycle.

In particular, the NewRiver Board believes that the Combination will have the following benefits for the Combined Group:

- **Combination of high-quality, complementary assets** – Capital & Regional's portfolio comprises six community shopping centres predominantly located in London and South East England and principally let to low-risk, essential and value-oriented retailers that are highly complementary to NewRiver's existing portfolio. Both portfolios comprise retail assets that

are well-located to satisfy convenience-led shopping by an attractive customer base, with over 70 per cent. of shoppers in both NewRiver's and Capital & Regional's assets travelling less than five miles and over 55 per cent. of shoppers having above average post-tax net incomes. NewRiver believes that the disposal of non-core assets in recent years and the acquisition of The Gyle in Edinburgh in September 2023 have enhanced the quality and complementary nature of Capital & Regional's remaining portfolio;

- **Creation of a c. £0.9 billion retail portfolio** - the Combined Group will have a portfolio focused on community shopping centres and retail parks, generating annualised rent of approximately £90 million, valued in aggregate at c.£889 million (based on the property valuation reports for NewRiver prepared by Knight Frank and Colliers, as set out in Parts A and B of Appendix 4 to this announcement and the property valuation report on Capital & Regional's portfolio prepared by Knight Frank, as set out in Part C of Appendix 4 to this announcement) (comprising 47 assets) and with assets under management of c. £2.4 billion (comprising 84 assets);
- **Low-risk tenant profile with an attractive income profile and opportunities to add value** - the Combined Group's portfolio will benefit from complementary low-risk tenant bases with low levels of tenant concentration. Approximately 87 per cent. of Capital & Regional's retail tenant base by rent is comprised of retail tenants focused on value and essential goods and services, comparable to approximately 80 per cent. of NewRiver's retail tenant base. The Combined Group's portfolio risk profile will be aligned with UK retail and industrial sector averages, by reference to the projected cumulative tenant probability of failure, with the benefit of a material yield premium and with an equivalent yield of approximately 8.5 per cent. compared to the UK retail and industrial sector averages of 6.8 per cent. and 6.1 per cent., respectively. With an affordable occupational cost ratio of c. 8.8 per cent. and strong in-store sales growth, the combined portfolio would be well-positioned for future rental growth, supported by ongoing asset management opportunities within Capital & Regional's portfolio, such as increasing occupancy and improving gross-to-net ratios;
- **Material cost savings and significant earnings accretion** - the Combination is expected to unlock approximately £6.2 million of net pre-tax run-rate recurring annual cost synergies, the majority of which are expected to be effective shortly following completion of the Combination with the full benefit of the synergies from the Combination expected to be unlocked within 12 months of completion of the Combination on an annualised basis. These cost savings are expected to arise from the removal of duplicative functions and the rationalisation of listing and other administrative and operational expenses, as outlined in the Quantified Financial Benefits Statement set out in this announcement. The Combination is expected to generate a strong income return and mid- to high-teens accretion to UFFO per share, enhancing the Combined Group's ability to pay a materially higher, covered dividend;
- **Balance sheet strength maintained and debt maturity profile diversified** - the Combined Group will seek to preserve a robust and conservatively leveraged balance sheet in line with NewRiver's existing LTV guidance. On completion of the Combination, the Combined Group will benefit from a weighted average cost of 3.5 per cent. across drawn debt of £444 million with no maturity on drawn debt until January 2027 as well as continuing to benefit from substantial available liquidity, improved debt optionality and expected cost of capital benefits resulting from the increased scale of the Combined Group; and
- **Increased share liquidity with expanded shareholder base** - the Combination will create an enlarged REIT with enhanced equity market profile and a broader shareholder base, with shareholders benefitting from the potential for increased share liquidity and larger weightings in key indices.

Portfolio valuations

NewRiver and its advisers have carried out extensive due diligence on Capital & Regional's real estate portfolio and operations. This has included, but is not limited to, a detailed review of corporate, real estate and other information provided by Capital & Regional, site visits, sessions with Capital & Regional's senior management, rigorous internal valuation work and the commissioning of Knight Frank, which values the majority of NewRiver's existing portfolio, to conduct an external valuation of

the Capital & Regional portfolio in accordance with the latest version of the RICS Valuation – Global Standards (the “**Red Book**”). Knight Frank’s external valuation report on Capital & Regional’s portfolio, which is unqualified and has been prepared in accordance with the requirements of Rule 29 of the Code by a valuer who has had access to sufficient information to prepare such report, is disclosed in Part C of Appendix 4 to this announcement.

In particular, the NewRiver Board has focused on understanding the impact of the Combination and, in particular, the potential acquisition of Capital & Regional’s property portfolio, on the Combined Group’s balance sheet and related financial metrics. Taking into account the Knight Frank valuation, the NewRiver Board has determined that a valuation for NewRiver’s financial reporting purposes is £350 million. The NewRiver Board recognises that this is different to the Red Book valuation provided by CBRE, as set out in Part D of Appendix 4 to this announcement. It is recognised that real estate valuations, and the assumptions underlying them, are in some cases subjective and that differences of opinion can and do occur between valuers. NewRiver does not contest the factual accuracy of CBRE’s and Knight Frank’s valuations or the reasonableness of the assumptions adopted by either valuer.

However, given that, in the event that a transaction is concluded, it is the intention that Knight Frank will conduct independent valuations of the Capital & Regional assets on behalf of NewRiver for future financial reporting purposes, the NewRiver Board believes it appropriate to incorporate the Knight Frank valuation when analysing the Combined Group’s balance sheet and related financial metrics.

4. **QUANTIFIED FINANCIAL BENEFITS STATEMENT**

The NewRiver Directors, having undertaken a review and analysis of the potential cost savings of the Combined Group, as well as taking into account factors they can influence, believe the Combined Group could deliver shareholder value through the expected realisation of approximately £7.3 million of gross pre-tax run-rate recurring annual cost synergies. These are expected to be realised primarily from consolidation of:

- board, senior management, central and support functions and savings related to Capital & Regional’s status as a publicly traded company (which will no longer be required on a standalone basis), together with third party support, including professional advisory fees, which is expected to contribute approximately 85 per cent. (approximately £6.2 million) of the gross pre-tax run-rate recurring annual cost synergies; and
- head office and other operating infrastructure such as technology and IT, which is expected to contribute approximately 15 per cent. (approximately £1.1 million) of the gross pre-tax run-rate recurring annual cost synergies.

Potential areas of dis-synergy have been considered by the NewRiver Directors, with the principal area of dis-synergy being income generated from property management services (equating to approximately £1.1 million per annum), which is assumed to cease on completion of the Combination because Capital & Regional provides these services to tenants but NewRiver intends to align this approach with its existing portfolio whereby these services are provided by a third party specialist. Potential cost savings associated with the outsourcing of these services have been reflected in the expected net pre-tax run-rate recurring annual cost synergy figure.

Accordingly, the NewRiver Directors believe that the Combined Group could deliver approximately £6.2 million of net pre-tax run-rate recurring annual cost synergies.

The majority of the above cost synergies are expected to be effective shortly following completion of the Combination and it is expected that the full benefit of the synergies will be unlocked within 12 months of completion of the Combination on an annualised basis.

The identified cost savings are contingent on the completion of the Combination and would not be achieved by either NewRiver or Capital & Regional independently. The estimated cost synergies referred to above reflect both the beneficial elements and the relevant costs.

The NewRiver Directors have considered one-off costs in connection with realising the expected cost synergies and estimated these to be approximately £2.9 million, which will predominantly be incurred in the first 12 months following completion. For the avoidance of doubt, this approximate £2.9 million

is not factored into the £6.2 million of net pre-tax run-rate recurring annual cost synergies referred to above.

These statements of estimated cost savings and synergies relate to future actions or circumstances which, by their nature, involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the Code, the statements of estimated cost savings and synergies contained in this announcement are solely the responsibility of NewRiver and the NewRiver Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is also an intention, belief or expectation of the NewRiver Directors and not of the Capital & Regional Directors.

These statements are not intended as a profit forecast and should not be interpreted as such. No part of these statements, or this announcement generally, should be construed or interpreted to mean that the Combined Group's earnings in the first year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of NewRiver and/or Capital & Regional for the relevant preceding financial period or any other period.

Appendix 5 to this announcement includes a copy of these statements of anticipated cost savings and synergies arising from the Combination and provides underlying information and bases of belief and calculation.

Appendix 5 to this announcement also includes reports from NewRiver's reporting accountant, BDO, and its lead financial adviser, Jefferies, in connection with the anticipated Quantified Financial Benefits Statement, as required pursuant to Rule 28.1(a) of the Code, and provides underlying information and bases of belief. Jefferies, as lead financial adviser to NewRiver, has provided such report for the purposes of the Code stating that, in its opinion and subject to the terms of its report, the Quantified Financial Benefits Statement, for which the NewRiver Directors are responsible, has been prepared with due care and consideration.

Further information on the bases of belief supporting the Quantified Financial Benefits Statement, including the principal assumptions and sources of information, is set out in Appendix 5 to this announcement.

Each of BDO and Jefferies has given and not withdrawn its consent to the inclusion of its report on the Quantified Financial Benefits Statement in Parts B and C, respectively, of Appendix 5 to this announcement.

5. **RECOMMENDATIONS**

Recommendation of the Independent Capital & Regional Directors

The Independent Capital & Regional Directors, who have been so advised by Deutsche Numis and Stifel as to the financial terms of the Combination, consider the terms of the Combination to be fair and reasonable. In providing their advice to the Independent Capital & Regional Directors, Deutsche Numis and Stifel have each taken into account the commercial assessments of the Independent Capital & Regional Directors. Deutsche Numis and Stifel are providing independent financial advice to the Independent Capital & Regional Directors for the purposes of Rule 3 of the Code.

Accordingly, the Independent Capital & Regional Directors intend to recommend unanimously that Capital & Regional Shareholders vote, or procure the vote, in favour of the Scheme at the Court Meeting (or, in the event that the Combination is implemented by a Takeover Offer, accept, or procure the acceptance of, such Takeover Offer) and in favour of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting.

Norbert Sasse and Panico Theocharides, non-executive directors of Capital & Regional, are Growthpoint's nominated representatives on the Capital & Regional Board. As noted below, Growthpoint, in its capacity as Capital & Regional's largest shareholder, has given an irrevocable undertaking to vote, or procure the vote, in favour of the Scheme at the Court Meeting and of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting (or, in the event that the Combination is implemented by way of a Takeover Offer, to accept, or procure the

acceptance of, such Takeover Offer). As a result of this, and of Growthpoint's interest in Capital & Regional, Norbert Sasse and Panico Theocharides have not participated in the decision to recommend the Combination to Capital & Regional Shareholders.

Those Capital & Regional Directors who hold Capital & Regional Shares have irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting (or, in the event that the Combination is implemented by a Takeover Offer, accept, or procure the acceptance of, such Takeover Offer) and in favour of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting in respect of their own, and their connected persons', beneficial holdings of, in aggregate, 437,212 Capital & Regional Shares, representing approximately 0.19 per cent. of the issued ordinary share capital of Capital & Regional on the Last Practicable Date.

NewRiver Recommendation

The NewRiver Board, which has been so advised by Jefferies as to the financial terms of the Combination, considers the Combination to be in the best interests of NewRiver Shareholders, as a whole. In providing its advice, Jefferies has taken into account the commercial assessments of the NewRiver Board.

The NewRiver Board intends unanimously to recommend that NewRiver Shareholders vote, or procure the vote, in favour of the NewRiver Resolutions to be proposed at the NewRiver General Meeting which is to be convened to approve, amongst other things, certain matters in connection with the Combination, as those NewRiver Directors who hold NewRiver Shares have irrevocably undertaken to do in respect of their own beneficial holdings of, in aggregate, 1,383,602 NewRiver Shares, representing approximately 0.37 per cent. of the issued ordinary share capital of NewRiver on the Last Practicable Date.

6. BACKGROUND TO, AND REASONS FOR, THE INDEPENDENT CAPITAL & REGIONAL DIRECTORS' RECOMMENDATION

The Independent Capital & Regional Directors believe that the Combination brings together two high-quality, complementary portfolios of community-focused shopping centres and retail parks capable of achieving significant strategic, operational and financial benefits as follows:

- by establishing a c. £0.9 billion (based on the property valuation reports for NewRiver prepared by Knight Frank and Colliers, as set out in Parts A and B of Appendix 4 to this announcement and the property valuation report on Capital & Regional's portfolio prepared by Knight Frank, as set out in Part C of Appendix 4 to this announcement) retail portfolio of 29 shopping centres, and 13 retail parks, with Capital & Regional Shareholders benefiting from increased geographic and tenant diversification from the NewRiver portfolio;
- providing Capital & Regional Shareholders with exposure to retail parks, where vacancy rates and rental growth are being driven by robust occupational demand;
- providing Capital & Regional Shareholders with significantly enhanced scale which should have the following benefits:
 - improved share liquidity, with a significantly improved free float and diversified shareholder base;
 - access to cheaper and more flexible sources of capital through an enlarged security pool and greater income diversification; and
 - larger weightings in key indices;
- providing material cost synergies of approximately £6.2 million on a net pre-tax run-rate recurring annual cost basis, the majority of which are expected to be effective shortly following completion of the Combination; and
- giving Capital & Regional Shareholders the opportunity to share in the upside from the Combined Group, with Capital & Regional Shareholders holding, immediately following

completion of the Combination, in aggregate, approximately 21 per cent. of the issued share capital of NewRiver (based on the existing issued ordinary share capital of NewRiver and the issued and to be issued ordinary share capital of Capital & Regional as at the Last Practicable Date). Capital & Regional Shareholders will also benefit from partial liquidity from the cash component of the offer. On the basis of the Closing Price per NewRiver Share of 74.5 pence on the Offer Period Last Practicable Date, the implied value of 62.5 pence per Capital & Regional Share under the terms of the Combination represents an attractive premium of approximately:

- 21 per cent. to the undisturbed Closing Price of a Capital & Regional Share of 51.5 pence on the Offer Period Last Practicable Date;
- 21 per cent. to the three-month VWAP of 51.7 pence per Capital & Regional Share on the Offer Period Last Practicable Date; and
- 18 per cent. to the six-month VWAP of 53.0 pence per Capital & Regional Share on the Offer Period Last Practicable Date.

In addition, under the terms of the Combination, Capital & Regional Shareholders will also be entitled to receive and retain (i) the Capital & Regional Interim Dividend of 2.85 pence per Capital & Regional Share for the six months ended 30 June 2024 which is expected to be paid on 27 September 2024 as well as (ii) the NewRiver Interim Dividend (in the event that the record date for the NewRiver Interim Dividend is a date falling after the expected Scheme Record Time). If the record date for the NewRiver Interim Dividend is a date prior to the Scheme Record Time, Capital & Regional will declare and pay, prior to the Scheme Record Time, the Capital & Regional Additional Dividend which is economically equivalent to the NewRiver Interim Dividend, and Capital & Regional Shareholders will be entitled to receive and retain such Capital & Regional Additional Dividend. The NewRiver Interim Dividend or the Capital & Regional Additional Dividend (as the case may be) therefore represents an additional 1.3 pence per Capital & Regional Share of value uplift for Capital & Regional Shareholders as a result of the Combination.

The Independent Capital & Regional Directors believe that Capital & Regional has a proven strategy, high quality assets, a highly regarded internalised management team and strong prospects. While the Independent Capital & Regional Directors consider that Capital & Regional can execute its strategy on a standalone basis, the Independent Capital & Regional Directors accept that the business continues to be impacted by scale and liquidity challenges and that developments in the UK REIT sector are typically favouring larger REITs with greater liquidity, lower costs and better availability of capital.

Growthpoint has recently indicated to the Independent Capital & Regional Directors that it has undertaken a detailed, group-wide strategic and capital allocation review with the aim of simplifying its business, identifying assets that are deemed to be non-core and directing its focus to its core assets. Whilst Growthpoint maintains its belief that Capital & Regional is an attractive platform with a high quality portfolio of assets and strong prospects, Capital & Regional has been identified by Growthpoint as a non-core asset. The Independent Capital & Regional Directors note that this change in Growthpoint's position has an impact on Capital & Regional's prospects. Further to this change in Growthpoint's position, Growthpoint and Capital & Regional received certain unsolicited expressions of interest in exploring a possible offer for Capital & Regional. As at the date of this announcement, NewRiver is the only interested party to have presented a comprehensive proposal to the Independent Capital & Regional Directors and completed due diligence. Growthpoint has advised the Independent Capital & Regional Directors that it believes the Combination represents an attractive opportunity to realise value for its investment in Capital & Regional. Given that Growthpoint has agreed to support the Combination by way of an irrevocable undertaking over its c. 69 per cent. shareholding, the Independent Capital & Regional Directors believe that the offer from NewRiver is highly likely to succeed.

As there is a share consideration component to the Combination which will result in Capital & Regional Shareholders holding NewRiver Shares representing, following completion of the Combination, 21 per cent. of the enlarged issued share capital of NewRiver (on the basis described above), the Independent Capital & Regional Directors and their advisers have conducted due diligence on NewRiver. This diligence included a review of corporate and legal matters and the use of external independent real estate valuers and advisers to review NewRiver's portfolio of assets. This analysis

was not, however, conducted in accordance with the latest version of the Red Book. The Independent Capital & Regional Directors carefully considered the output from the reverse due diligence in coming to their conclusions on the terms of the Combination.

The Independent Capital & Regional Directors have taken all of the above factors into consideration when assessing the value and deliverability of the offer from NewRiver and have concluded that the significant strategic, operational and financial benefits of the Combination are superior to the medium-term standalone prospects of the Capital & Regional business.

In addition to their consideration of the terms of the Combination, in their evaluation of NewRiver as a suitable owner of Capital & Regional from the perspective of all stakeholders, the Capital & Regional Directors have taken into account NewRiver's intentions for the business. The Capital & Regional Directors note that NewRiver has confirmed that the existing contractual and statutory employment rights, including in relation to pensions, of all Capital & Regional's management and employees will be fully safeguarded in accordance with applicable law.

Accordingly, following careful consideration of the above factors, including the intentions of Growthpoint, the Independent Capital & Regional Directors unanimously intend to recommend the Combination to Capital & Regional Shareholders on the terms, and subject to the conditions, set out in this announcement.

Capital & Regional Board's views on valuation of Capital & Regional portfolio

The Board of Capital & Regional notes the difference between the valuation carried out by CBRE as at 30 June 2024 of £375 million and that commissioned by NewRiver's Board by Knight Frank of £350 million.

The Board of Capital & Regional supports the CBRE valuation of the Capital & Regional portfolio but acknowledges that real estate valuation by its nature is subjective and it is not unusual for independent and highly regarded valuation firms to use differing sets of assumptions and opinions to arrive at estimated market value.

7. IRREVOCABLE UNDERTAKINGS

All Capital & Regional Directors that hold Capital & Regional Shares have irrevocably undertaken in respect of their own, and their connected persons', beneficial holdings of Capital & Regional Shares, to vote, or procure the vote, in favour of the Scheme at the Court Meeting and of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting (or in the event that the Combination is implemented by a Takeover Offer, to accept, or procure the acceptance of, such Takeover Offer) in respect of 437,212 Capital & Regional Shares in aggregate, representing approximately 0.19 per cent. of the issued ordinary share capital of Capital & Regional on the Last Practicable Date.

Capital & Regional's largest shareholder, Growthpoint, is fully supportive of the Combination and, accordingly, has irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and of the Capital & Regional Resolution(s) to be proposed at the Capital & Regional General Meeting (or, in the event that the Combination is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, such Takeover Offer), in respect of 160,648,081 Capital & Regional Shares, in aggregate, representing approximately 69 per cent. of the issued ordinary share capital of Capital & Regional on the Last Practicable Date. Following completion of the Combination, Growthpoint is expected to hold NewRiver Shares equivalent to approximately 14 per cent. of the enlarged issued ordinary share capital of NewRiver (based on the existing issued ordinary share capital of NewRiver and the issued and to be issued ordinary share capital of Capital & Regional as at the Last Practicable Date). Growthpoint has also undertaken not to sell any New NewRiver Shares which may be issued to it under the terms of the Combination (i) for a period of five months following the Effective Date without the prior written consent of NewRiver and other than through NewRiver's financial adviser; and (ii) for a further period of four months thereafter, without first giving NewRiver reasonable written notice of any such sale, in both cases subject to certain customary exceptions. Following this, Growthpoint may look to sell down its residual stake, in line with its communicated strategy to simplify its business and optimise its international investments.

In total, NewRiver has therefore received irrevocable undertakings in respect of, in aggregate, 161,085,563 Capital & Regional Shares, representing approximately 69.1 per cent. of the issued ordinary share capital of Capital & Regional on the Last Practicable Date.

Further details of these irrevocable undertakings, including the circumstances in which the obligations thereunder cease to apply, are set out in Appendix 3 to this announcement.

8. INFORMATION ON NEWRIVER

NewRiver is an established UK real estate investor, asset manager and developer which is listed on the Equity Shares (Commercial Companies) category of the Official List of the FCA, has its ordinary shares admitted to trading on the Main Market of the London Stock Exchange (ticker: NRR) and is a constituent member of the FTSE All-Share and the FTSE EPRA Indices.

NewRiver's community shopping centres and conveniently located retail parks are occupied by tenants predominantly focused on providing essential goods and services. Alongside its balance sheet assets, and in order to leverage its high-quality retail asset management platform, NewRiver also has a Capital Partnership business, which generates recurring fee income by providing asset management services to a high quality roster of institutional, private equity and public sector partners. NewRiver's objective is to own and manage the most resilient retail portfolio in the UK, focused on core shopping centres, retail parks, and regeneration opportunities in order to deliver long term attractive recurring income returns and capital growth for its shareholders. NewRiver is one of the largest owners and managers of retail real estate assets in the UK with gross assets of approximately £539 million as at 30 June 2024 and a market capitalisation of approximately £311 million as at the Last Practicable Date.

The NewRiver Group's purpose and strategy is to deliver a reliable and recurring income led 10 per cent. total accounting return by leveraging its significant knowledge and experience of the consumer, retail and capital markets and is underpinned by its business model:

- Disciplined capital allocation – NewRiver assesses the long-term resilience of its assets, with capital allocation decisions made by comparing risk-adjusted returns on its assets to those available from other uses of capital. Capital allocation options include investing into its existing portfolio, acquiring assets in the direct real estate market and share buybacks. Assets can be acquired either on its balance sheet or in capital partnerships.
- Leveraging its platform – NewRiver leverages its market leading platform to enhance and protect income returns through active asset management across its assets and on behalf of its capital partnerships. The latter also provide enhanced returns through asset management fee income and the opportunity to receive promote fees.
- Flexible balance sheet – NewRiver's operating platform is underpinned by a conservative, unsecured balance sheet. NewRiver is focused on maintaining its prudent covenant headroom position and has access to significant cash reserves which provide it with the flexibility to pursue opportunities which support its strategy for growth.

The NewRiver Group owns and/or manages a portfolio of approximately £2.0 billion, of which approximately 74 per cent. is owned by its capital partners, and collects almost £190 million per annum of rent from over 3,000 tenants across 43 shopping centres and 30 retail parks (including Ellandi) (as at 30 June 2024).

The NewRiver Group's portfolio totals approximately 5.9 million sq. ft. and an occupancy rate of approximately 97 per cent. (as at 30 June 2024).

9. INFORMATION ON CAPITAL & REGIONAL

Capital & Regional is a UK-focused retail property REIT specialising in community shopping centres listed on the Equity Shares (Commercial Companies) category of the Official List of the FCA. Its ordinary shares are admitted to trading on the Main Market of the London Stock Exchange (ticker: CAL) and it is a constituent member of the FTSE All-Share and the FTSE EPRA Indices. Capital & Regional also has a secondary listing on the Main Board of the Johannesburg Stock Exchange (ticker: CRP).

Capital & Regional has demonstrated a track record of delivering value-enhancing retail and leisure asset management opportunities across its portfolio of tailored and centrally located community shopping centres in Edinburgh, Hemel Hempstead, Ilford, Maidstone, Walthamstow and Wood Green. Capital & Regional also owns and manages the UK's largest indoor ski slope operator, Snozone, which has centres in Milton Keynes, Yorkshire and Madrid (Spain), delivering £8.3 million of revenue for the six months ended 30 June 2024. Capital & Regional focuses on shopping centres providing a strong retail offering consisting of services and non-discretionary retail in locations with strong transport links. Since the launch of Capital & Regional's community shopping centre strategy in 2017, Capital & Regional has seen a change in merchandising mix with 'Value Fashion' (24.0 per cent.), Health and Beauty (18.9 per cent.) and 'Food & Grocery' (18.2 per cent.) presently representing the largest segments across its portfolio. Capital & Regional had gross assets of £350 million as at 30 June 2024 (based on the property valuation report on Capital & Regional's portfolio prepared by Knight Frank, as set out in Part C of Appendix 4 to this announcement) and a market capitalisation of approximately £145 million as at the Last Practicable Date.

Capital & Regional's aim of driving sustainable growth, ultimately leading to sustained shareholder returns through dividend payments, is the product of its long-term strategy to:

- define and own the community shopping centre category in the UK, guided by consumer insight and consistent with global best practice;
- hold assets that sit at the heart of local communities, typically located adjacent to local transport hubs enabling easy access via public transport as well as available car parking;
- focus around repositioning and re-purposing spaces to incorporate new stores and uses that reflect the demands of the communities they serve; and
- ensure that Capital & Regional shopping centres provide the right offering to drive footfall and dwell time, boosting retailer sales and thus increasing demand, improving rental income, property values and consequently revenue and shareholder returns.

The Capital & Regional Group owns a portfolio of approximately £350 million (based on the property valuation report on Capital & Regional's portfolio prepared by Knight Frank, as set out in Part C of Appendix 4 to this announcement) and collected £38.2 million of rent from over 399 occupiers across six shopping centres for the six months ended 30 June 2024.

The Capital & Regional portfolio totals over 2.5 million sq. ft. of lettable space with 632 lettable units and an occupancy rate of 94 per cent. (as at 30 June 2024).

10. **CERTAIN RISKS ASSOCIATED WITH THE COMBINATION**

There are certain risks associated with the Combination, which are summarised below:

The Combination is subject to the Conditions which may not be satisfied or waived

Completion of the Combination is subject to the Conditions being satisfied (or, if permitted, waived). A summary of the principal Conditions to which the Combination is subject is set out at paragraph 17 below and the Conditions are set out in full in Appendix 1 to this announcement.

There is no guarantee that the Conditions will be satisfied in the necessary time frame (or waived, if applicable) and the Combination may, therefore, be delayed or not complete. Delay in completing the Combination will prolong the period of uncertainty for the NewRiver Group and the Capital & Regional Group and both delay and failure to complete may result in the accrual of additional costs to their businesses without any of the potential benefits of the Combination having been achieved.

Therefore, the aggregate consequences of a material delay in completing, or failure to complete, the Combination may have a material adverse effect on the business, results of operations and financial condition of the NewRiver Group and the Capital & Regional Group.

NewRiver's ability to invoke a Condition (other than the Conditions set out in paragraphs 1, 2(a)(i), 2(b)(i) and 2(c)(i) and 4(a) to (c) (inclusive) of Part A of Appendix 1 to this announcement) to either lapse its offer or to delay completion of the Combination is subject to the Panel's consent. The Panel

will need to be satisfied that the underlying circumstances are of “material significance” to NewRiver in the context of the Combination and this is a high threshold to fulfil. Consequently, there is a significant risk that NewRiver may be required to complete the Combination even where certain Conditions have not been satisfied or where a material adverse change has occurred to the Capital & Regional Group. If any of the events described above were to occur, they may result in additional costs and/or the delay or the failure (partial or otherwise) to realise the financial benefits and synergies relating to the Combination identified by the parties or may otherwise impact NewRiver’s strategy and operations.

If the Combination completes, the integration of the Capital & Regional Group with the NewRiver Group could result in operating difficulties and other adverse consequences

If the Combination completes, the process of integrating Capital & Regional and its subsidiaries into the NewRiver Group may create unforeseen operating difficulties and expenditures and pose management, administrative and financial challenges. Specifically, integrating operations and personnel and pre-completion or post-completion costs may prove more difficult and/or more expensive than anticipated, thereby rendering the value of the Capital & Regional Group less than the value paid. The integration of the Capital & Regional Group may require significant time and effort on the part of NewRiver’s management. The challenges of integrating the Capital & Regional Group may also be exacerbated by differences between the NewRiver Group’s and the Capital & Regional Group’s operational and business culture, the need to implement cost-cutting measures, difficulties in maintaining internal controls and difficulties in establishing control over cash flows and expenditures. Such difficulties in successfully integrating Capital & Regional could have an adverse effect on the Company’s financial condition and results of operations.

The NewRiver Group may fail to realise the business growth opportunities, revenue benefits, cost savings, operational efficiencies and other benefits anticipated from the Combination

As stated at paragraph 3 above, the NewRiver Board believes that there is a strong strategic, operational and financial rationale for the Combination and that the Combined Group will benefit from enhanced scale, material cost savings, mid- to high-teens accretion to earnings per share, better access to acquisition and asset management opportunities, improved debt optionality, expected cost of capital benefits and the potential for increased share liquidity. However, these benefits may not be realised, for various reasons, including because the assumptions upon which the NewRiver Board determined the process of integration and the proposed cost savings may prove to be incorrect.

Under any of these circumstances, the cost savings, accretion to earnings per share, better access to acquisition and asset management opportunities, improved debt optionality, expected cost of capital benefits and the potential for increased share liquidity anticipated by the NewRiver Board to result from the Combination may not be achieved as expected, or at all, or may be delayed, or may involve additional costs. To the extent that the NewRiver Group incurs higher integration costs or achieves lower revenue benefits or fewer cost savings than expected, the NewRiver Group’s operating results, and prospects and the price of NewRiver Shares may suffer.

11. **CURRENT TRADING AND OUTLOOK**

NewRiver

For details of NewRiver’s current trading and prospects, please refer to NewRiver’s First Quarter Company Update for the period from 1 April 2024 to 30 June 2024, released on 5 August 2024. A copy of the update is available on NewRiver’s website at <https://www.nrr.co.uk/investors/regulatory-news>.

Capital & Regional

For details of Capital & Regional’s current trading and prospects, please refer to Capital & Regional’s Half Year Results to 30 June 2024, released on 1 August 2024. A copy of the announcement is available on Capital & Regional’s website at <https://capreg.com/wp-content/uploads/2024/09/cr-interim-press-release-hy24-final-aug-24.pdf>.

12. INTENTIONS FOR THE COMBINED GROUP

Listing and registered office

Following the Effective Date, NewRiver will remain listed on the Equity Shares (Commercial Companies) category of the Official List and admitted to trading on the Main Market of the London Stock Exchange. The registered office of NewRiver will remain in London.

REIT status

Both the NewRiver Group and the Capital & Regional Group fall within the UK REIT regime and benefit from the tax efficiencies provided by that regime. The Combined Group is expected to fall within the UK REIT regime and the relevant tax measures will continue to apply to the Combined Group.

Board and governance arrangements

As referred to in the section headed "Trading facilities" below, applications will be made to: (i) the FCA to cancel the listing and trading of the Capital & Regional Shares on the Equity Shares (Commercial Companies) category of the Official List and Main Market of the London Stock Exchange; and (ii) the JSE for the cancellation of the listing and trading of the Capital & Regional Shares on the Main Board of the JSE. Consequently, while NewRiver recognises the skills and experience of the Capital & Regional Board, Capital & Regional will no longer require listed company governance structures following the Combination and, accordingly, it is intended that the chair and other non-executive Capital & Regional Directors will step down from the Capital & Regional Board and the boards of Capital & Regional's subsidiaries (as applicable) with effect from the Effective Date.

In addition, as announced by Capital & Regional on 8 May 2024, Lawrence Hutchings has resigned from his role as Chief Executive of Capital & Regional to take up a new role at Workspace Group PLC and it is intended that he will also step down from the Capital & Regional Board and the boards of Capital & Regional's subsidiaries (as applicable). It is also intended that Stuart Wetherly (Capital & Regional Group Finance Director) will step down from the Capital & Regional Board and the boards of Capital & Regional's subsidiaries (as applicable) on completion of a period of handover. It is anticipated that the current board and management structure of NewRiver will become the board and management structure of the Combined Group on completion of the Combination.

Portfolio

The NewRiver Directors believe that Capital & Regional's portfolio of community shopping centres will be complementary to NewRiver's existing portfolio and therefore intend to implement individual business plans in respect of each asset and hold them within NewRiver's Core Shopping Centre portfolio. NewRiver has a track record of disciplined capital recycling based on risk-adjusted forward-looking returns and intends to monitor the performance of Capital & Regional's assets in the 12 months post-completion of the Combination and, subject to market conditions, may consider the disposal of Capital & Regional's smaller shopping centres on a selective basis which would reduce the Combined Group's leverage.

Snozone operates three indoor snow sports centres in the UK and Spain and is a separate operating segment of Capital & Regional with its own management team. While Snozone is expected to continue operating immediately post-Combination broadly as it does as at the date of this announcement, NewRiver is a specialist owner and manager of retail real estate and therefore it is NewRiver's intention to undertake a strategic review of the Snozone business within the first 12 months post-completion of the Combination to establish whether it is a core hold for NewRiver or whether it would be more appropriate to recycle capital through its disposal. As at the date of this announcement, no decisions have been taken in relation to the Snozone business.

Management, employees, pensions, locations of business and research and development

Across the Combined Group, there will be duplicated costs and functions following completion of the Combination. NewRiver therefore intends to seek operating cost and synergy benefits from the rationalisation of the board (as outlined above), and overlapping group functions including certain senior management.

In order to achieve the full potential benefits of the Combination, including the expected cost synergies, the NewRiver Directors will continue to undertake a detailed business, operational and administrative review of the Combined Group to assess how it can work most effectively and efficiently following completion of the Combination. This evaluation includes an assessment of the overlapping group functions of Capital & Regional and NewRiver, together with consolidating support and asset and property management functions (including the employment of certain Capital & Regional employees currently in asset and property management roles potentially being transferred by operation of law to one of NewRiver's current outsourced service providers), as well as removing duplicated costs in respect of certain corporate functions related to Capital & Regional's status as a listed and publicly traded company, which will no longer be required by the Combined Group. The Combination is likely to lead to a significant reduction in duplicative senior, corporate and operational Capital & Regional Group headcount, impacting a minority of total Capital & Regional Group employee headcount. Capital & Regional Group headcount will be further reduced by the proposed transfer of asset and property management staff by operation of law to one of NewRiver's current outsourced service providers (as referred to above).

NewRiver intends to consolidate the head office functions of NewRiver and Capital & Regional so that the Combined Group can operate from a single location. It is anticipated that the Combined Group will operate from NewRiver's existing head office at 89 Whitfield Street, London, and that Capital & Regional's head office at Strand Bridge House, Strand, London, will, in due course, be sub-let. It is not envisaged that material changes will arise in relation to NewRiver's existing employees and headcount as a result of the Combination.

The proposals referred to above remain subject to a fair and transparent process in accordance with applicable legal requirements (including, but not limited to, where required, any applicable prior information and consultation obligations).

The Combined Group intends to safeguard existing statutory and contractual employment rights following completion of the Combination and NewRiver does not intend to make any material changes in the conditions of employment of existing Capital & Regional employees, including with respect to pension contributions.

Save as set out above, NewRiver does not otherwise intend any redeployment of Capital & Regional's fixed asset base. Owing to the nature of its business, Capital & Regional has no research and development function.

Neither Capital & Regional nor NewRiver have an existing defined benefit pension scheme.

Trading facilities

The Capital & Regional Shares are currently listed on the Equity Shares (Commercial Companies) category of the Official List and admitted to trading on the Main Market of the London Stock Exchange. In addition, the Capital & Regional Shares have a secondary listing and are admitted to trading on the Main Board of the JSE.

As set out in paragraph 18 below, applications will be made to:

- the FCA to cancel the listing of the Capital & Regional Shares on the Equity Shares (Commercial Companies) category of the Official List;
- the London Stock Exchange to cancel the admission of the Capital & Regional Shares to trading on the Main Market of the London Stock Exchange; and
- the JSE for the cancellation of the listing and trading of the Capital & Regional Shares on the Main Board of the JSE.

No statements in this paragraph 12 are "post-offer" undertakings for the purposes of Rule 19.5 of the Code.

13. **FINANCING OF THE COMBINATION**

The cash consideration payable by NewRiver to Capital & Regional Shareholders pursuant to the terms of the Combination will be financed from NewRiver's existing cash resources, including the net proceeds of the Placing.

Jefferies, in its capacity as lead financial adviser to NewRiver, is satisfied that sufficient cash resources are available to NewRiver to enable it to satisfy in full the cash consideration payable to Capital & Regional Shareholders under the cash element of the terms of the Combination.

Further details in respect of these arrangements will be included in the Scheme Document.

14. **OFFER RELATED ARRANGEMENTS**

Capital & Regional Confidentiality Agreement

On 4 June 2024, Capital & Regional and NewRiver entered into a confidentiality agreement in relation to the Combination (the "**Capital & Regional Confidentiality Agreement**"), pursuant to which, amongst other things, NewRiver gave certain undertakings in favour of Capital & Regional to: (a) subject to certain exceptions, keep information relating to Capital & Regional and the Combination confidential and not to disclose it to third parties; and (b) use such confidential information only in connection with the Combination. These confidentiality obligations will remain in force until the earlier of 24 months from 24 June 2024 and completion of the Combination. In the Capital & Regional Confidentiality Agreement, NewRiver has also provided certain customary standstill undertakings in relation to it and its concert parties, all of which cease to apply upon the release of this announcement.

NewRiver Confidentiality Agreement

On 24 June 2024, NewRiver and Capital & Regional entered into a confidentiality agreement in relation to the Combination (the "**NewRiver Confidentiality Agreement**"), pursuant to which, amongst other things, Capital & Regional gave certain undertakings in favour of NewRiver to: (a) subject to certain exceptions, keep information relating to NewRiver and the Combination confidential and not to disclose it to third parties; and (b) use such confidential information only in connection with the Combination. These confidentiality obligations will remain in force until the earlier of 24 months from 24 June 2024 and completion of the Combination. In the NewRiver Confidentiality Agreement, Capital & Regional has also provided certain customary standstill undertakings in relation to it and its concert parties.

Co-operation Agreement

On 24 September 2024, NewRiver and Capital & Regional entered into a co-operation agreement in relation to the Combination (the "**Co-operation Agreement**"), pursuant to which, amongst other things, NewRiver has agreed to provide Capital & Regional promptly with certain information as may be reasonably requested and is required for the Scheme Document, and Capital & Regional has agreed to provide NewRiver promptly with certain information as may be reasonably requested and is required for the Prospectus.

The Co-operation Agreement records the intention of NewRiver and Capital & Regional to implement the Combination by way of the Scheme, subject to NewRiver's right to switch to a Takeover Offer in certain circumstances. NewRiver and Capital & Regional have agreed to certain customary provisions if the Scheme should switch to a Takeover Offer.

The Co-operation Agreement also contains provisions that shall apply in respect of NewRiver Shareholders' dividend entitlements, directors' and officers' insurance and the Capital & Regional Share Plans, other incentive and bonus arrangements and other employee-related matters as well as provisions relating to co-operation and provision of assistance with respect to obtaining any required regulatory clearances necessary to complete the Combination, including (without limitation) the approval of the FCA to the proposed change of control of a regulated entity within the Capital & Regional Group (as referred to in paragraph 17 below).

The Co-operation Agreement shall be terminated with immediate effect:

- if NewRiver and Capital & Regional so agree in writing;
- upon service of notice by NewRiver to Capital & Regional if the Capital & Regional Directors change their recommendation in respect of the Combination;
- upon service of written notice by either NewRiver or Capital & Regional to the other if: (i) a competing offer becomes effective or is declared or becomes unconditional; (ii) the Combination is withdrawn, terminates or lapses in accordance with its terms; (iii) prior to the Long-Stop Date, a Condition which either (a) is not capable of being waived, or (b) NewRiver has confirmed it will not waive, notwithstanding that such Condition is capable of being waived, becomes incapable of satisfaction by the Long-Stop Date in circumstances where invocation of the relevant Condition is permitted by the Panel; (iv) the Scheme is not approved at the Court Meeting, the resolutions to be proposed at the Capital & Regional General Meeting are not passed or the Court refuses to sanction the Scheme; (v) the NewRiver Combination Resolution(s) are not passed at the NewRiver General Meeting; or (vi) unless otherwise agreed by NewRiver and Capital & Regional in writing or required by the Panel, the Effective Date has not occurred by the Long-stop Date; or
- upon service of notice by Capital & Regional to NewRiver if the NewRiver Directors change their recommendation in respect of the Combination.

15. **DIVIDENDS**

Capital & Regional

Each of NewRiver and Capital & Regional agrees and acknowledges that Scheme Shareholders will be entitled to receive and retain, without any reduction being made to the consideration payable pursuant to the terms of the Combination, if the record date for the NewRiver Interim Dividend is a date prior to the Scheme Record Time, a further interim dividend of 1.3 pence per Capital & Regional Share (the "**Capital & Regional Additional Dividend**").

If, on or after the date of this announcement and on or prior to the Effective Date, Capital & Regional announces, declares, makes or pays:

- any dividend, distribution or form of capital return in excess of the Capital & Regional Interim Dividend;
- in the event that the record date for the NewRiver Interim Dividend is a date prior to the Scheme Record Time, any dividend, distribution or form of capital return in excess of any Capital & Regional Additional Dividend; and/or
- any other dividend, distribution or form of capital return,

(each a "**Capital & Regional Additional Distribution**"), Capital & Regional Shareholders will be entitled to receive and retain such Capital & Regional Additional Distribution but NewRiver shall be entitled (without prejudice to any right NewRiver may have, with the consent of the Panel, to invoke Condition 4(h)(iii) in Part A of Appendix 1 to this announcement) to reduce the consideration payable pursuant to the terms of the Combination by an amount equivalent to all or any part of such Capital & Regional Additional Distribution, in which case any reference in this announcement to the consideration payable pursuant to the terms of the Combination will be deemed to be a reference to the consideration as so reduced.

NewRiver also reserves the right to reduce the consideration payable pursuant to the terms of the Combination in such circumstances as are, and by such amount as is, permitted by the Panel. To the extent that a dividend or distribution has been declared but not paid prior to the Effective Date, and such dividend or distribution is cancelled, then the consideration payable pursuant to the terms of the Combination will not be subject to change in accordance with this paragraph 15. Any exercise by NewRiver of its rights referred to in this paragraph 15 will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Combination.

Combined Group

Following the completion of the Combination, the Combined Group would continue to pursue NewRiver's dividend policy of paying dividends equivalent to 80 per cent. of UFFO, with any top-up, including where required to ensure compliance with the REIT regime, to be confirmed at the Combined Group's full year results.

16. CAPITAL & REGIONAL SHARE PLANS

Participants in the Capital & Regional Share Plans will be contacted regarding the effect of the Combination on their rights under the Capital & Regional Share Plans and, where relevant, an appropriate proposal will be made to such participants pursuant to Rule 15 of the Code in due course. Further details of the impact of the Combination on the Capital & Regional Share Awards will be set out in the Scheme Document and separate proposal documentation.

17. SCHEME PROCESS AND CONDITIONS

It is intended that the Combination will be implemented by means of a Court-sanctioned scheme of arrangement between Capital & Regional and the Scheme Shareholders under Part 26 of the Companies Act, further details of which are contained in this announcement and full details of which will be set out in the Scheme Document to be published by Capital & Regional in due course. NewRiver reserves the right to effect the Combination by way of a Takeover Offer, subject to the consent of the Panel.

The purpose of the Scheme is to provide for NewRiver to become the holder of the entire issued and to be issued ordinary share capital of Capital & Regional. Under the Scheme, the Combination is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to NewRiver in consideration for which Scheme Shareholders will receive the consideration on the basis set out in paragraph 2 above. The procedure involves, among other things, a petition by Capital & Regional to the Court to sanction the Scheme.

The New NewRiver Shares will be issued in registered form, credited as fully paid, and will be capable of being held in both certificated and uncertificated form. They will rank *pari passu* in all respects with the existing NewRiver Shares, including the rights to receive all dividends and other distributions (if any) declared, paid or made by NewRiver by reference to a record date falling after the Effective Date.

Fractions of New NewRiver Shares will not be allotted or issued pursuant to the Scheme and entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New NewRiver Shares. All fractional entitlements to New NewRiver Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed by NewRiver in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions, save that individual entitlements to amounts of less than £5 will be retained for the benefit of the Combined Group.

The Combination will be subject to the Conditions and the further terms referred to in Appendix 1 to this announcement and the full terms and conditions to be set out in the Scheme Document, and will only become Effective if, among other things, the following events occur on or before the Long Stop Date (or such later date as NewRiver and Capital & Regional may, with the consent of the Panel, agree and, if required, the Court may allow):

- the receipt of approval from the FCA to the proposed change of control of a regulated entity within the Capital & Regional Group;
- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting (or at any adjournment thereof), whether in person or by proxy, representing 75 per cent. or more in value of each class of the Scheme Shares held by those Scheme Shareholders;
- the Capital & Regional Resolution(s) are passed at the Capital & Regional General Meeting by the requisite majorities, whether in person or by proxy;

- the NewRiver Combination Resolution(s) is or are passed at the NewRiver General Meeting by the requisite majority or majorities, whether in person or by proxy;
- the FCA having acknowledged to NewRiver or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New NewRiver Shares to the Equity Shares (Commercial Companies) category of the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied;
- the London Stock Exchange having acknowledged to NewRiver or its agent (and such acknowledgement not having been withdrawn) that the New NewRiver Shares will be admitted to trading on the Main Market of the London Stock Exchange;
- following the Capital & Regional Meetings and the NewRiver General Meeting, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by NewRiver and Capital & Regional with the consent of the Panel); and
- following such sanction, a copy of the Scheme Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Capital & Regional Meetings (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Capital & Regional Shares will cease to be valid and entitlements to Capital & Regional Shares held within the CREST system will be cancelled. In accordance with the applicable provisions of the Code, the consideration payable in cash for the transfer of the Scheme Shares to NewRiver will be despatched no later than 14 days after the Effective Date.

Any Capital & Regional Shares issued at or before the Scheme Record Time will be subject to the terms of the Scheme. The Capital & Regional Resolutions to be proposed at the Capital & Regional General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Capital & Regional Shares issued after the Scheme Record Time (other than to NewRiver and/or its nominees) to be automatically transferred to NewRiver on the same terms as the Combination (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than NewRiver and its nominees) holding Capital & Regional Shares after the Effective Date.

The Scheme will lapse if:

- the Court Meeting or the Capital & Regional General Meeting are not held on or before the 22nd day after the expected date of such Capital & Regional Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between NewRiver and Capital & Regional with the consent of the Panel (and that the Court may allow if required));
- the Scheme Sanction Hearing is not held on or before the 22nd day after the expected date of the Scheme Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between NewRiver and Capital & Regional with the consent of the Panel (and that the Court may allow if required)); or
- the Scheme does not become Effective on or before the Long Stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the Capital & Regional General Meeting and the Scheme Sanction Hearing, to be set out in the Scheme Document in due course, may be waived by NewRiver, and the Long Stop Date may be extended by agreement in writing between NewRiver and Capital & Regional (with the Panel's consent and as the Court may allow, if such consent and/or approval is/are required). If any of the dates and/or times of the Capital & Regional Meetings to be set out in the Scheme Document change, the revised dates and/or times will be notified to Capital & Regional Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on Capital & Regional's website at <https://capreg.com/investor-info/possible-offer/>.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the Capital & Regional General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders. It is expected that the Scheme Document, together with the Capital & Regional Forms of Proxy, will be published as soon as practicable and, in any event, within 28 days of the date of this announcement (or such later date as may be agreed by NewRiver and Capital & Regional with the consent of the Panel).

Subject, amongst other things, to the satisfaction or waiver (as applicable) of the Conditions, it is expected that the Scheme will become Effective in early 2025. The Scheme will be governed by English law and will be subject to the jurisdiction of the Court. The Scheme will be subject to the applicable requirements of the Companies Act, the Code, the Panel, the UK Listing Rules, MAR, the Financial Conduct Authority, the London Stock Exchange, the Johannesburg Stock Exchange and the JSE Listing Requirements.

18. DELISTING, CANCELLATION OF ADMISSION TO TRADING AND RE-REGISTRATION

It is expected that the last day of dealings in Capital & Regional Shares on the Main Market of the London Stock Exchange and on the Main Board of the JSE will be the third Business Day prior to the Effective Date following which all Capital & Regional Shares will be suspended from the Official List and from trading on the Main Market of the London Stock Exchange and Capital & Regional Shares will be disabled in CREST and also suspended from trading on the Main Board of the JSE and disabled in the STRATE system. No transfers will be registered after 6.00 p.m. (London time) on that date.

It is intended that applications will be made to:

- the FCA to cancel the listing of the Capital & Regional Shares on the Equity Shares (Commercial Companies) category of the Official List;
- the London Stock Exchange to cancel the admission of the Capital & Regional Shares to trading on the Main Market of the London Stock Exchange; and
- the JSE for the cancellation of the listing and trading of the Capital & Regional Shares on the Main Board of the JSE,

in each case, to take effect shortly after the Effective Date.

Following the Scheme becoming Effective and after the delisting and cancellation of admission to trading of the Capital & Regional Shares on the Main Market of the London Stock Exchange and the delisting and cancellation of trading of the Capital & Regional Shares on the Main Board of the JSE, it is intended that Capital & Regional be re-registered as a private limited company as soon as practicable following the Effective Date.

On the Effective Date, share certificates in respect of Capital & Regional Shares shall cease to be valid and should be destroyed. Entitlements to Capital & Regional Shares held within the CREST or STRATE systems will be cancelled on, or shortly after, the Effective Date (as the case may be).

19. ADMISSION OF, AND COMMENCEMENT OF DEALINGS IN, THE NEW NEWRIVER SHARES

The existing NewRiver Shares are listed on the Equity Shares (Commercial Companies) category of the Official List and admitted to trading on the Main Market of the London Stock Exchange.

An application will be made to the FCA and to the London Stock Exchange, respectively, for the New NewRiver Shares to be issued pursuant to the Combination to be admitted to listing on the Equity Shares (Commercial Companies) category of the Official List and to trading on the Main Market of the London Stock Exchange (together, "**Admission**").

It is expected that Admission will become effective, and that unconditional dealings in the New NewRiver Shares will commence on the London Stock Exchange, at 8.00 a.m. (London time) on the first Business Day following the date on which the Scheme becomes Effective. The existing NewRiver Shares are admitted to CREST. It is expected that all of the New NewRiver Shares, when issued and fully paid, will also be capable of being held and transferred by means of CREST.

Details of how Capital & Regional Shareholders can hold, access and trade in NewRiver Shares will be set out in the Scheme Document. Capital & Regional Shareholders resident in the United Kingdom will be able to hold their NewRiver Shares through any of the ways currently available to NewRiver Shareholders, including through an intermediary of their own choice should they wish to do so.

20. **NEWRIVER SHAREHOLDER APPROVAL**

The NewRiver Directors do not currently have the authority to issue and allot the New NewRiver Shares in accordance with section 551 of the Companies Act which will form part of the consideration in connection with the Combination and, accordingly, the approval of NewRiver Shareholders is required to grant the NewRiver Directors this authority.

The Combination will therefore be conditional on, among other things, the NewRiver Combination Resolution(s) being passed by the requisite majority or majorities of NewRiver Shareholders at the NewRiver General Meeting.

In addition, the NewRiver Additional Resolutions will also be proposed at the NewRiver General Meeting. The NewRiver Additional Resolutions will be proposed: (i) to grant the NewRiver Directors authority to allot new NewRiver Shares on ongoing basis until the conclusion of NewRiver's annual general meeting in 2025 pursuant to section 551 of the Companies Act, which resolution must be passed by NewRiver Shareholders representing more than 50 per cent. of the votes validly cast on such resolution, whether in person or by proxy, and (ii) to dis-apply statutory pre-emption rights in connection with the allotment of any such new NewRiver Shares on an ongoing basis until the conclusion of NewRiver's annual general meeting in 2025 pursuant to section 571 of the Companies Act, which resolution must be passed by NewRiver Shareholders representing at least 75 per cent. of the votes validly cast on such resolution(s), whether in person or by proxy. The NewRiver Directors have no present intention to utilise the authorities proposed to be granted to them pursuant to the NewRiver Additional Resolutions.

As stated above, the Combination is conditional only on the passing of the NewRiver Combination Resolution(s) at the NewRiver General Meeting.

The NewRiver Board considers the Combination to be in the best interests of NewRiver and NewRiver Shareholders, as a whole. Accordingly, the NewRiver Board intends unanimously to recommend that NewRiver Shareholders vote, or procure the vote, in favour of the NewRiver Resolutions to be proposed at the NewRiver General Meeting, which is to be convened to approve, amongst other things, certain matters in connection with the Combination, as those NewRiver Directors who hold NewRiver Shares have irrevocably undertaken to do in respect of their own holdings of, in aggregate, 1,383,602 NewRiver Shares, representing approximately 0.37 per cent. of the issued ordinary share capital of NewRiver on the Last Practicable Date.

NewRiver is required to publish a prospectus in connection with Admission. Accordingly, NewRiver will prepare the Prospectus which will summarise, amongst other things, the background to, and reasons for, the Combination and contain a notice convening the NewRiver General Meeting and information relating to, amongst other things, the Combined Group, the New NewRiver Shares and Admission.

It is expected that the Prospectus (together with the NewRiver Form of Proxy for use in connection with the NewRiver General Meeting) will be published and posted to NewRiver Shareholders at the same time as the Scheme Document is posted to Capital & Regional Shareholders. The Prospectus will be made available by NewRiver on its website at <https://www.nrr.co.uk/investors/possible-offer-for-capital-and-regional-plc/disclaimer> and by Capital & Regional on its website at <https://capreg.com/investor-info/possible-offer/>. Capital & Regional and NewRiver urge Capital & Regional Shareholders to read the Scheme Document and the Prospectus carefully as each will contain important information relating to, amongst other things, the Combination. Capital & Regional Shareholders are also advised to read the Prospectus, as it will contain important information relating to the New NewRiver Shares. Any vote, decision in respect of or other response to the Combination (or the Scheme, if applicable) should only be made on the basis of the information contained in the Scheme Document and the Prospectus.

21. **DISCLOSURE OF INTERESTS**

Except for the irrevocable undertakings referred to above, as at the close of business on the Last Practicable Date, neither NewRiver nor any of the NewRiver Directors, nor, so far as NewRiver is aware, any person acting in concert (within the meaning of the Code) with NewRiver:

- has any interest in, or right to subscribe for, any relevant securities of Capital & Regional; nor
- has any short position in respect of relevant securities of Capital & Regional, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of relevant securities of Capital & Regional; nor
- has borrowed or lent any relevant securities of Capital & Regional or entered into any financial collateral arrangements relating to relevant securities of Capital & Regional; nor
- is party to any dealing arrangement of the kind referred to in Note 11 on the definition of "acting in concert" in the Code in relation to relevant securities of Capital & Regional.

An "interest in" securities for these purposes arises, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an "interest" by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

"Relevant securities of Capital & Regional" for these purposes are Capital & Regional Shares or securities convertible or exchangeable into Capital & Regional Shares.

22. **CONSENTS**

Jefferies, Kinmont, Panmure Liberum, Shore Capital, Deutsche Numis, Stifel and Java Capital have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

Knight Frank, Colliers and CBRE have each given and not withdrawn their consent to the publication of their valuation reports in this announcement and the inclusion herein to the references to their names in the form and context in which they appear.

BDO has given and not withdrawn its consent to the inclusion of its report on the Quantified Financial Benefits Statement in Part B of Appendix 5 to this announcement.

23. **DOCUMENTS PUBLISHED ON A WEBSITE**

In accordance with Rule 26.2 of the Code, copies of the following documents will, to the extent not already published there, by no later than 12.00 noon on the Business Day following the date of this announcement, be published on Capital & Regional's website at <https://capreg.com/investor-info/possible-offer/> and NewRiver's website at <https://www.nrr.co.uk/investors/possible-offer-for-capital-and-regional-plc/disclaimer> during the Offer Period:

- this announcement;
- the investor presentation in connection with the Placing;
- the irrevocable undertakings referred to in paragraph 7 above and summarised in Appendix 3 to this announcement;
- the Capital & Regional Confidentiality Agreement referred to in paragraph 14 above;
- the NewRiver Confidentiality Agreement referred to in paragraph 14 above;

- the Co-operation Agreement referred to in paragraph 14 above;
- the consent letters from each of Jefferies, Kinmont, Panmure Liberum, Shore Capital, Deutsche Numis, Stifel, Java Capital, BDO, Knight Frank, Colliers and CBRE referred to in paragraph 22 above;
- the no material change letters from each of Knight Frank, Colliers and CBRE;
- the reports from each of BDO and Jefferies in relation to the Quantified Financial Benefits Statement contained in Parts B and C, respectively, of Appendix 5 to this announcement;
- the Knight Frank valuation reports;
- the Colliers valuation report; and
- the CBRE valuation report.

The contents of Capital & Regional's website and NewRiver's website, and any website accessible from hyperlinks, are not incorporated into and do not form part of this announcement.

24. **OVERSEAS CAPITAL & REGIONAL SHAREHOLDERS**

The availability of the Combination to Capital & Regional Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Capital & Regional Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This announcement does not constitute, or form part of, any offer for, or any solicitation of any offer for, securities, nor is it a solicitation of any vote or approval in any jurisdiction, nor will there be any purchase or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law or regulation.

US Capital & Regional Shareholders should see the "Notice to US investors in Capital & Regional" below.

25. **GENERAL**

NewRiver reserves the right to elect (with the consent of the Panel) to implement the Combination by way of a Takeover Offer as an alternative to the Scheme. In such event, the Takeover Offer will be implemented on substantially the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme including (without limitation) the inclusion of an acceptance condition set at 90 per cent. of the Capital & Regional Shares (or such other percentage as NewRiver may, subject to the rules of the Code and with the consent of the Panel, decide, being in any case more than 50 per cent. of the Capital & Regional Shares), or any amendments required by applicable law. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Capital & Regional Shares are otherwise acquired, it would be the intention of NewRiver to apply the provisions of the Companies Act to acquire compulsorily any outstanding Capital & Regional Shares to which such Takeover Offer relates.

The Combination will be on the terms and subject to the Conditions set out in Appendix 1 to this announcement, and to the full terms and conditions to be set out in the Scheme Document. The formal Scheme Document containing further information about the Combination and notices of the Capital & Regional Meetings, together with the Capital & Regional Forms of Proxy, will be sent to Capital & Regional Shareholders as soon as practicable and, in any event, within 28 days of this announcement (or on such later date as may be agreed between NewRiver and Capital & Regional with the consent of the Panel).

Appendix 2 to this announcement contains bases and sources of certain information contained in this announcement. Details of irrevocable undertakings received are set out in Appendix 3. Property valuation reports for Capital & Regional and NewRiver (as at 30 June 2024) pursuant to Rule 29 of

the Code are set out in Appendix 4. Certain terms used in this announcement are defined in Appendix 6.

In the event that the assets within either Capital & Regional's or NewRiver's property portfolios were to be sold at the valuations contained in the valuation reports set out in Appendix 4 to this announcement, any gains realised on such disposals may be subject to taxation in the UK.

Generally, disposals by a UK REIT of assets located in the UK held for the purpose of a property rental business should be exempt from UK corporation tax, however, there are specific rules which can result in assets held as part of the property rental business being subject to tax on disposal, for example, when a property is materially developed and sold within three years of completion of that development. In connection with the Combination, it is not contemplated that the aforementioned liability to taxation will crystallise.

For the purposes of Rule 29.5 of the Code, the NewRiver Board confirms that each of Knight Frank and Colliers has confirmed to it that an updated valuation of the relevant properties within NewRiver's property portfolio (and, in the case of Knight Frank, Capital & Regional's property portfolio) as at the date of this announcement which it has valued would not be materially different from the valuations given by each of Knight Frank and Colliers as at 30 June 2024 and contained in their respective valuation reports set out in Appendix 4 to this announcement.

For the purposes of Rule 29.5 of the Code, the Capital & Regional Board confirms that CBRE has confirmed to it that an updated valuation of Capital & Regional's property portfolio as at the date of this announcement would not be materially different from the valuation given by CBRE as at 30 June 2024 and contained in CBRE's valuation report set out in Appendix 4 to this announcement.

For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement is the responsibility of NewRiver and the NewRiver Directors. Appendix 5 to this announcement sets out the Quantified Financial Benefits Statement relating to cost savings and synergies arising out of the Combination and provides underlying information and bases of belief. Appendix 5 also includes reports from NewRiver's reporting accountant, BDO, and its lead financial adviser, Jefferies, in connection with the Quantified Financial Benefits Statement, as required pursuant to Rule 28.1(a) of the Code.

Appendix 6 to this announcement sets out certain information in relation to the Combined Group's debt position. Appendix 7 to this announcement sets out certain additional information in relation to the Combined Group's portfolio. Appendix 8 contains certain information in relation to the top five tenants of each of NewRiver, Capital & Regional and the Combined Group. Appendix 9 contains certain additional property information disclosures.

This announcement does not constitute an offer for sale of any securities or an invitation to purchase or subscribe for any securities. Capital & Regional Shareholders are advised to read carefully the Scheme Document and related Capital & Regional Forms of Proxy once these have been dispatched.

Analyst and Investor Presentation

NewRiver will host a presentation for analysts and investors via webcast at 9.30 a.m. (UK time) today (24 September 2024) to discuss the Combination. To participate in this webcast, please use the following access details:

<https://secure.emincote.com/client/newriver/offer-for-capital-regional>

The presentation will also be accessible on-demand later today on NewRiver's website: <https://www.nrr.co.uk/investors/possible-offer-for-capital-and-regional-plc>.

Enquiries

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CMS Cameron McKenna Nabarro Olswang LLP is acting as legal adviser to Capital & Regional in connection with the Combination.

Further Information

This announcement contains inside information in relation to NewRiver and Capital & Regional for the purposes of Article 7 of the Market Abuse Regulation. This announcement has been authorised for release on behalf of NewRiver by the NewRiver Board. The person responsible for arranging the release of this announcement on behalf of NewRiver is Kerin Williams, Company Secretary.

This announcement is for information purposes only and is not intended to and does not constitute, or form part of an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Combination or otherwise, nor shall there be any sale, issuance or transfer of securities of Capital & Regional or NewRiver in any jurisdiction in contravention of applicable law. In particular, this announcement does not constitute an offer of securities to the public as contemplated in the South African Companies Act, 71 of 2008.

The Combination will be implemented solely pursuant to the terms of the Scheme Document (or, if the Combination is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Combination, including details of how Capital & Regional Shareholders may vote, or procure the vote, in respect of the Combination.

NewRiver will prepare the Prospectus, containing information on the New NewRiver Shares and the Combined Group.

Capital & Regional and NewRiver urge Capital & Regional Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Combination, the New NewRiver Shares and the Combined Group.

NewRiver also urges NewRiver Shareholders to read the Prospectus carefully when it becomes available because it will contain important information in relation to the Combination, the New River Shares and the Combined Group.

Any decision in respect of, or other response to, the Combination should be made on the basis of the information contained in the Scheme Document and the Prospectus (or, in the event that the Combination is to be implemented by means of a Takeover Offer, the Offer Document) and the Prospectus.

Any vote in respect of resolutions to be proposed at the Capital & Regional Meetings or the NewRiver General Meeting, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document (or, if the Combination is implemented by way of a Takeover Offer, the Offer Document) and the Prospectus.

This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

Disclaimers

Jefferies International Limited ("**Jefferies**"), Panmure Liberum Limited ("**Panmure Liberum**") and Shore Capital Stockbrokers Limited ("**Shore Capital**", and together with Jefferies and Panmure Liberum, the "**Joint Brokers**") are authorised and regulated by the FCA in the United Kingdom. Jefferies is acting as lead financial adviser, Panmure Liberum is acting as sole sponsor, and the Joint Brokers are each acting as joint broker, joint global co-ordinator and joint bookrunner exclusively for NewRiver and no one else in connection with the Combination and shall not be responsible to anyone other than NewRiver for providing the protections afforded to their clients, nor for providing advice in connection with the Combination or any matter referred to herein. None of the Joint Brokers nor any of their affiliates (nor any of them or their respective directors, officers, employees, representatives or agents) owe or accept any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of such Joint Broker in connection with the Combination, this announcement, any statement contained herein or otherwise.

Kinmont Limited ("**Kinmont**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for NewRiver and no one else in connection with the Combination and shall not be responsible to anyone other than NewRiver for providing the protections afforded to clients of Kinmont, nor for providing advice in connection with the Combination or any matter referred to herein. Neither Kinmont nor any of its affiliates (nor any of its or their respective directors, officers, employees, representatives or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Kinmont in connection with the Combination, this announcement, any statement contained herein or otherwise.

Numis Securities Limited ("**Deutsche Numis**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Capital & Regional and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Capital & Regional for providing the protections afforded to clients of Deutsche Numis, nor for providing advice in relation to any matter referred to herein. Neither Deutsche Numis nor any of its affiliates (nor any of their respective directors, officers, employees or agents), owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with this announcement, any statement contained herein or otherwise.

Stifel Nicolaus Europe Limited ("**Stifel**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Capital & Regional and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Capital & Regional for providing the protections afforded to clients of Stifel, nor for providing advice in relation to any matter referred to herein.

Java Capital Trustees and Sponsors Proprietary Limited ("**Java Capital**"), which is authorised and regulated in South Africa by the JSE, which is licensed as a securities exchange and is regulated by

the Financial Sector Conduct Authority and the Prudential Authority of South Africa, is acting as JSE sponsor exclusively for Capital & Regional and for no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Capital & Regional for providing the protections afforded to clients of Java Capital or for providing advice in relation to the contents of, or matters referred to in, this announcement or any matter referred to herein. Neither Java Capital nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Java Capital in connection with this announcement, any statement or other matter or arrangement referred to herein or otherwise.

Overseas Shareholders

This announcement has been prepared in accordance with, and for the purpose of complying with, the laws of England and Wales and the Code, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom and South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom and South Africa should inform themselves about, and observe any applicable requirements of their jurisdictions.

In connection with the Combination, Capital & Regional Shareholders who are not resident in and citizens of the United Kingdom or may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

In particular, the ability of: persons who are not resident in the United Kingdom or South Africa to vote their Capital & Regional Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Capital & Regional Forms of Proxy appointing another to vote at the Court Meeting on their behalf; and persons who are not resident in the United Kingdom (including, in this instance, persons who are resident in South Africa) to receive New NewRiver Shares in part consideration pursuant to terms of the Combination, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Unless otherwise determined by NewRiver or required by the Code, and permitted by applicable law and regulation, the Combination will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Combination by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Combination. If the Combination is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The Combination will be subject to the applicable requirements of the Companies Act, the Code, the Panel, the UK Listing Rules, MAR, the Financial Conduct Authority, the London Stock Exchange, the Johannesburg Stock Exchange and the JSE Listing Requirements.

The information contained in this announcement constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended ("FAIS Act") and should not be construed as express or implied advice (as that term is used in the FAIS Act and/or the South African Financial Markets Act, 19 of 2012, as amended) that any particular transaction in respect of the Combination, is appropriate to the particular investment objectives, financial situations or needs of a shareholder, and nothing in this announcement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. NewRiver is not a financial services provider licensed as such under the FAIS Act.

Nothing in this announcement should be viewed, or construed, as "advice", as that term is used in the South African Financial Markets Act, 19 of 2012, as amended.

Notice to US investors in Capital & Regional

US holders of Capital & Regional Shares should note that the Combination relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under, and governed by, English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Combination is subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.

The financial information included in this announcement and the Scheme Document (or, if the Combination is implemented by way of a Takeover Offer, the Offer Document) has been, or will have been, prepared in accordance with International Financial Reporting Standards and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The New NewRiver Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10) thereunder, Capital & Regional will advise the Court that its sanctioning of the Scheme will be relied on by NewRiver as an approval of the Scheme following a hearing on the fairness of the terms and conditions of the Scheme to Capital & Regional Shareholders, at which Court hearing all Capital & Regional Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such holders.

None of the securities referred to in this announcement have been approved or disapproved by the SEC or any US state securities commission, nor have any such authorities passed judgment upon the fairness or the merits of the Combination or determined if this announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

Capital & Regional Shareholders who are or will be affiliates (within the meaning of Rule 144 under the US Securities Act) of NewRiver after the Effective Date will be subject to certain US transfer restrictions relating to the New NewRiver Shares received pursuant to the Scheme as will be further described in the Scheme Document.

However, if, in the future, NewRiver exercises the right to implement the Combination by way of a Takeover Offer and determines to extend the offer into the United States, the Takeover Offer will be made in compliance with applicable United States tender offer and securities laws and regulations and the requirements of US state securities laws, in each case, to the extent any exemptions thereunder are not applicable.

A US holder of Capital & Regional Shares should be aware that the transactions contemplated herein may have tax consequences for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Capital & Regional Shareholder is therefore urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Combination.

It may be difficult for US holders of Capital & Regional Shares to enforce their rights and any claims arising out of US federal laws, since each of NewRiver and Capital & Regional are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Capital & Regional Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

To the extent permitted by applicable law, in accordance with normal UK practice, NewRiver, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Capital & Regional Shares outside of the US, other than pursuant to the Combination, until the date on which the Combination and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at www.londonstockexchange.com and via SENS.

Forward-looking Statements

This announcement (including information incorporated by reference into this announcement), oral statements made regarding the Combination, and other information published by NewRiver and Capital & Regional contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of NewRiver and Capital & Regional about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements relating to the expected effects of the Combination on NewRiver and Capital & Regional, the expected timing and scope of the Combination and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of NewRiver's or Capital & Regional's or the Combined Group's operations and potential synergies resulting from the Combination.

Although NewRiver and Capital & Regional believe that the expectations reflected in such forward-looking statements are reasonable, neither NewRiver nor Capital & Regional can give assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There is a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to: the ability to complete the Combination; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions on the proposed terms; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Combination not being realised as a result of changes in general economic and market conditions; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which NewRiver and Capital & Regional operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions

proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither NewRiver nor Capital & Regional, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither NewRiver nor Capital & Regional is under any obligation, and each of NewRiver and Capital & Regional expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Quantified Financial Benefits Statement

Statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Neither the Quantified Financial Benefits Statement nor any other statement in this announcement should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following the Effective

Date, or in any subsequent period, would necessarily match or be greater than or be less than those of NewRiver or Capital & Regional for the relevant preceding financial period or any other period. For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in this announcement is the responsibility of NewRiver and the NewRiver Directors.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or profit estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for NewRiver or Capital & Regional for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for NewRiver or Capital & Regional.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables and paragraphs may vary slightly and figures shown as totals in certain tables and paragraphs may not be an arithmetic aggregation of the figures that precede them.

Publication on a website

In accordance with Rules 26.1 and 26.2 of the Code, a copy of this announcement and other documents in connection with the Combination will be made available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Capital & Regional's website at <https://capreg.com/investor-info/possible-offer/> and NewRiver's website at <https://www.nrr.co.uk/investors/possible-offer-for-capital-and-regional-plc/disclaimer> by no later than 12 noon (London time) on the first Business Day following the date of this announcement.

For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks is incorporated into or forms part of this announcement.

Requesting hard copy documents

In accordance with Rule 30.3 of the Code, Capital & Regional Shareholders and persons with information rights may request a hard copy of this announcement (and any information incorporated by reference in this announcement), free of charge, by contacting Equiniti during business hours on 0371 384 2438 (from within the United Kingdom) and +44 (0) 121 415 7047 (from outside the United Kingdom) or by submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines will be open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

Capital & Regional Shareholders recorded on the South African Register may request hard copies of this announcement by contacting JSE Investor Services at One Exchange Square, 2 Gwen Lane, Sandown, Sandton 2196, South Africa or on 011 713 0800 (from within South Africa) and +27 11 713 0800 (from outside South Africa) between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (public holidays excepted). Calls to this number from persons who are not resident in South Africa are charged at the applicable international rate. Calls from a mobile device may incur network extras.

For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Combination should be in hard copy form.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or duly authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 (as

amended) if you are resident in South Africa or, if not, from an appropriately authorised independent financial adviser.

Scheme Process

In accordance with Section 5 of Appendix 7 of the Code, Capital & Regional will announce through a Regulatory Information Service key events in the Scheme process including the outcomes of the Capital & Regional Meetings and the Scheme Sanction Hearing.

Unless otherwise consented to by the Court and the Panel, any modification or revision to the Scheme will be made no later than the date which is 14 days prior to the Capital & Regional Meetings (or any later date to which such meetings are adjourned). In accordance with Section 11 of Appendix 7 of the Code, if the Scheme lapses or is withdrawn, all documents of title will be returned as soon as practicable and in any event within 14 days of such lapsing or withdrawal.

Information relating to Capital & Regional Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Capital & Regional Shareholders, persons with information rights and other relevant persons for the receipt of communications from Capital & Regional may be provided to NewRiver during the Offer Period as required under Section 4 of Appendix 4 to the Code to comply with Rule 2.11(c) of the Code.

Rule 2.9 of the Code

*In accordance with Rule 2.9 of the Code, as at the close of business on the Last Practicable Date, NewRiver confirms that its issued share capital consisted of 378,176,668 ordinary shares of one penny each, of which 3,109,959 ordinary shares are held in the Employee Benefit Trust ("**EBT**"). Accordingly, the total number of voting rights in the Company is 375,066,709. The Company does not hold any shares in treasury. The International Securities Identification Number ("**ISIN**") of the ordinary shares is GB00BD7XPJ64.*

APPENDIX 1

CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE COMBINATION

Part A

Conditions to the Scheme and Combination

1. The Combination will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, by no later than 11:59 p.m. on the Long Stop Date.

Conditions to the Scheme

2. The Scheme will be conditional upon:

(a)

- (i) its approval by a majority in number representing not less than 75 per cent. in value of Scheme Shareholders who are on the register of members of Capital & Regional (or the relevant class or classes thereof) at the Voting Record Time, present and voting (and entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof); and
- (ii) such Court Meeting (and any separate class meeting which may be required) or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between NewRiver and Capital & Regional with the consent of the Panel (and that the Court may allow if required));

(b)

- (i) the Capital & Regional Resolution(s) being duly passed at the Capital & Regional General Meeting (or any adjournment thereof); and
- (ii) such Capital & Regional General Meeting or any adjournment of that meeting being held on or before the 22nd day after the expected date of the Capital & Regional General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between NewRiver and Capital & Regional with the consent of the Panel (and that the Court may allow if required)); and

(c)

- (i) the sanction of the Scheme by the Court (with or without modification (but subject to any such modification being acceptable to NewRiver and Capital & Regional)) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies; and
- (ii) the Scheme Sanction Hearing being held on or before the 22nd day after the expected date of the Scheme Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between NewRiver and Capital & Regional with the consent of the Panel (and that the Court may allow)).

Regulatory Condition

3. The Combination will be conditional upon, in relation to Capital & Regional Property Management Limited (an indirect, wholly-owned subsidiary of Capital & Regional), the FCA: (i) having given written notice for the purposes of section 189(4) of the United Kingdom Financial Services and Markets Act 2000 ("**FSMA**") that the FCA has determined to approve the acquisition of Control by any person who would as a result of the Combination be treated as a Controller unconditionally; or (ii) having given written notice for the purposes of section 189(7) of FSMA that the FCA has determined to approve the acquisition of Control by any person who would as a result of the Combination be treated as a Controller subject to conditions satisfactory to NewRiver (acting reasonably); or (iii) being treated, by virtue of section 189(6) of FSMA, as having approved the acquisition of Control by any person who would as a result of the Combination be treated as a Controller. For the purposes of this Condition only, references to acquiring "**Control**" are to be read, where applicable, as having the meaning ascribed to it in Section 181 of FSMA (the threshold for which being modified, where relevant, by the FSMA (Controllers) (Exemption) Order 2009 as amended) and references to "**Controller**" having the meaning ascribed to it in Section 422 of FSMA.

General Conditions

4. In addition, subject as stated in Part B below and subject to the requirements of the Panel in accordance with the Code, NewRiver and Capital & Regional have agreed that the Combination will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:
 - (a) any resolution or resolutions of NewRiver Shareholders required to implement the Combination, including (without limitation), the NewRiver Combination Resolution(s), being duly passed by the requisite majority or majorities at the NewRiver General Meeting (or at any adjournment thereof, provided that the NewRiver General Meeting may not be adjourned beyond the 22nd day after the expected date of the NewRiver General Meeting to be set out in the Prospectus in due course or such later date (if any) as NewRiver and Capital & Regional may agree);
 - (b) the FCA having acknowledged to NewRiver or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New NewRiver Shares to listing on the Equity Shares (Commercial Companies) category of the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("**Listing Conditions**")) admission will become effective as soon as a dealing notice has been issued by the FCA and any Listing Conditions having been satisfied;
 - (c) the London Stock Exchange having acknowledged to NewRiver or its agent (and such acknowledgement not having been withdrawn) that the New NewRiver Shares will be admitted to trading on the Main Market of the London Stock Exchange;
 - (d) all necessary filings or applications having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case, in connection with the Combination or the acquisition by any member of the Wider NewRiver Group of any shares or other securities in, or control of, any member of the Wider Capital & Regional Group, where the direct consequence of a failure to make such a notification or filing or to wait for the expiry, lapse, or termination of any such waiting or time period would be unlawful in any relevant jurisdiction;
 - (e) all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals which are necessary for

the proposed acquisition of any shares or other securities in, or control of, Capital & Regional by any member of the Wider NewRiver Group having been obtained in terms and in a form reasonably satisfactory to NewRiver from all necessary Third Parties (as defined below) or persons with whom any member of the Wider Capital & Regional Group has entered into contractual arrangements or other material business relationships, together with all authorisations, orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals, necessary or appropriate to carry on the business of any member of the Wider Capital & Regional Group, remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same at the time at which the Combination becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with, in each case, which is or could be material in the context of the Combined Group, taken as a whole, or material in the context of the Combination;

- (f) no relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which, in each case, would reasonably be expected to:
- (i) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by any member of the Wider NewRiver Group or any member of the Wider Capital & Regional Group of all or any part of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own, control or manage any of their respective assets or properties or any part thereof, to an extent which, in any such case, is material in the context of the Wider NewRiver Group or the Wider Capital & Regional Group, taken as a whole;
 - (ii) require, prevent or materially delay the divestiture by any member of the Wider NewRiver Group of any shares or other securities in Capital & Regional;
 - (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider NewRiver Group, directly or indirectly, to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares or any other securities in, or to exercise voting or management control over, any member of the Wider Capital & Regional Group to an extent which is material in the context of the Combined Group, taken as a whole, or material in the context of the Combination;
 - (iv) make the Scheme or the Combination or, in each case, its implementation or the acquisition, or proposed acquisition, by NewRiver or any member of the Wider NewRiver Group of any shares or other securities in, or control of, Capital & Regional or any member of the Wider Capital & Regional Group, void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or impose additional adverse conditions or obligations with respect thereto to an extent which is, or could be, material in the context

of the Combined Group, taken as a whole, or material in the context of the Combination;

- (v) except pursuant to the implementation of the Combination or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider NewRiver Group or the Wider Capital & Regional Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider NewRiver Group or the Wider Capital & Regional Group owned by any third party;
- (vi) limit the ability of any member of the Wider NewRiver Group or the Wider Capital & Regional Group to co-ordinate its business, or any part of it, with the businesses of any other members of the Wider NewRiver Group and/or the Wider Capital & Regional Group which is adverse to, and material in the context of, the Wider NewRiver Group and/or the Wider Capital & Regional Group, as the case may be, taken as a whole, or material in the context of the Combination; or
- (vii) otherwise adversely affect any or all of the business, assets, profits, financial or trading position or prospects of any member of the Wider NewRiver Group or of any member of the Wider Capital & Regional Group to an extent which is material in the context of the Wider NewRiver Group or the Wider Capital & Regional Group, in either case, taken as a whole;

Certain matters arising as a result of any arrangement, agreement etc.

- (g) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Capital & Regional Group is a party or by or to which any such member or any of its assets is or are or may be bound, entitled or subject, or any circumstance which, in each case, as a consequence of the Scheme, the Combination or the acquisition or proposed acquisition by any member of the Wider NewRiver Group of any shares or other securities (or equivalent) in Capital & Regional or because of a change in the control or management of Capital & Regional, would, or would reasonably be expected to, result in any of the following (in any case, to an extent which is adverse to, and material, in the context of the Wider Capital & Regional Group, taken as a whole, or in the context of the Combination):
 - (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any member of the Wider Capital & Regional Group, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) any asset or interest of any member of the Wider Capital & Regional Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Capital & Regional Group otherwise than in the ordinary course of business;
 - (iii) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any member of the Wider Capital & Regional Group or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable;

- (iv) the rights, liabilities, obligations or interests of any member of the Wider Capital & Regional Group, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (v) the value or financial or trading position of any member of the Wider Capital & Regional Group being prejudiced or adversely affected; or
- (vi) the creation or acceleration of any material liability, actual or contingent, by any member of the Wider Capital & Regional Group other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Combination,

and, save as Disclosed, no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Capital & Regional Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (vi) above, in each case, to an extent material and adverse in the context of the Wider Capital & Regional Group, taken as a whole;

Certain events occurring since 30 December 2023

- (h) save as Disclosed, no member of the Wider Capital & Regional Group having, since 30 December 2023:
 - (i) save as between Capital & Regional and wholly-owned subsidiaries and/or subsidiary undertakings of Capital & Regional or between such wholly-owned subsidiaries and/or subsidiary undertakings, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between Capital & Regional and wholly-owned subsidiaries and/or subsidiary undertakings of Capital & Regional or between such wholly-owned subsidiaries and/or subsidiary undertakings, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) save as between Capital & Regional and wholly-owned subsidiaries and/or subsidiary undertakings of Capital & Regional or between such wholly-owned subsidiaries and/or subsidiary undertakings, prior to the Combination becoming Effective, but excluding the Capital & Regional Interim Dividend and any Capital & Regional Additional Dividend, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise or made any bonus issue;
 - (iv) save as between Capital & Regional and wholly-owned subsidiaries and/or subsidiary undertakings of Capital & Regional or between such wholly-owned subsidiaries and/or subsidiary undertakings, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or announced any intention to effect any acquisition, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to an

extent which is material in the context of the Wider Capital & Regional Group, taken as a whole;

- (v) save as between Capital & Regional and wholly-owned subsidiaries and/or subsidiary undertakings of Capital & Regional or between such wholly-owned subsidiaries and/or subsidiary undertakings, made or authorised or announced an intention to propose any change in its loan capital, in each case, other than in the ordinary course of business and to an extent which is material in the context of the Wider Capital & Regional Group, taken as a whole;
- (vi) issued, authorised or announced its intention for the issue of, or made any change in or to, any debentures or (save for intra-Capital & Regional Group transactions), incurred or increased any indebtedness or become subject to any liability (actual or contingent) to an extent which is material in the context of the Wider Capital & Regional Group, taken as a whole;
- (vii) purchased, redeemed or repaid or announced its intention to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital, in each case, to an extent which is material in the context of the Wider Capital & Regional Group, taken as a whole;
- (viii) (other than in respect of a member which is dormant and was solvent at the relevant time) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement which, in any case, is material in the context of the Wider Capital & Regional Group, taken as a whole;
- (ix) entered into, varied or authorised any agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
 - (A) is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude; or
 - (B) would, or would reasonably be likely to, restrict the business of any member of the Wider Capital & Regional Group other than to a nature and extent which is normal in the context of the business concerned,

and, in either case, which is, or would be expected to be, material and adverse in the context of the Wider Capital & Regional Group, taken as a whole;

- (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, or petition presented or order made for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which, in any case, is material in the context of the Wider Capital & Regional Group, taken as a whole;

- (xi) other than claims between Capital & Regional and its wholly-owned subsidiaries and/or subsidiary undertakings, or between such wholly-owned subsidiaries and/or subsidiary undertakings, waived, settled, abandoned or compromised any claim which is material in the context of the Wider Capital & Regional Group, taken as a whole;
- (xii) made any alteration to its memorandum or articles of association or other incorporation documents (in each case other than in connection with the Scheme) which is material in the context of the Combination;
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business to an extent which is material in the context of the Wider Capital & Regional Group, taken as a whole;
- (xiv) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced any intention to, effect any of the transactions, matters or events referred to in this paragraph (h) which is material in the context of the Wider Capital & Regional Group, taken as a whole;
- (xv) entered into, varied, authorised entry into or variation of, the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of appointment of, any contract or any service agreement with any director of the Wider Capital & Regional Group; or
- (xvi) except with the consent of NewRiver, taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Capital & Regional Shareholders at a general meeting of Capital & Regional in accordance with, or as contemplated by, Rule 21.1 of the Code;

No material adverse change

- (i) save as Disclosed, since 30 December 2023:
 - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects or operational performance of the Wider Capital & Regional Group, taken as a whole (in each case, to an extent which is, or could be, material in the context of the Wider Capital & Regional Group, taken as a whole);
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Capital & Regional Group is, or may become, a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Capital & Regional Group having been instituted, announced, implemented or threatened in writing by or against or remaining outstanding in respect of any member of the Wider Capital & Regional Group which, in any such case, has had, or would reasonably be expected to have, a material adverse effect on the Wider Capital & Regional Group, taken as a whole;

- (iii) no contingent or other liability of any member of the Wider Capital & Regional Group or of any member of the Wider NewRiver Group having arisen or become apparent or increased, which has had, or might reasonably be expected to have, an adverse effect on the Wider Capital & Regional Group, taken as a whole, or the Wider NewRiver Group, taken as a whole, and is material to the Wider Capital & Regional Group, taken as a whole, or the Wider NewRiver Group, taken as a whole;
- (iv) no member of the Wider Capital & Regional Group having conducted its business in breach of any applicable laws and regulations and which, in any case, is material in the context of the Wider Capital & Regional Group, taken as a whole; and
- (v) no steps having been taken which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider Capital & Regional Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would reasonably be expected to have a material adverse effect on the Wider Capital & Regional Group, taken as a whole;

No discovery of certain matters

- (j) save as Disclosed, NewRiver not having discovered (in each case to an extent which is, or could reasonably be expected to be, material in the context of the Wider Capital & Regional Group, taken as a whole, or material in the context of the Combination) that:
 - (i) any financial, business or other information concerning the Wider Capital & Regional Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Capital & Regional Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this announcement by disclosure by or on behalf of the Wider Capital & Regional Group either publicly or otherwise to NewRiver or its professional advisers;
 - (ii) any member of the Wider Capital & Regional Group is subject to any liability (contingent or otherwise), other than in the ordinary course of business;
 - (iii) any past or present member of the Wider Capital & Regional Group has failed to comply with any applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) which, in each case, non-compliance would be likely to give rise to any material liability (actual or contingent) or cost on the part of any member of the Wider Capital & Regional Group; or
 - (iv) there is any material liability (actual or contingent) to make good, repair, reinstate or clean up any property now or previously

owned, occupied or made use of by any past or present member of the Wider Capital & Regional Group under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi- governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or body in any jurisdiction; and

Anti-corruption and sanctions

- (k) save as Disclosed, NewRiver not having discovered:
 - (i) any:
 - (A) past or present member, director or officer of the Wider Capital & Regional Group is or has at any time, in connection with their position in the Wider Capital & Regional Group, engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery legislation; or
 - (B) person that performs, or has performed, services for or on behalf of the Wider Capital & Regional Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery legislation;
 - (ii) any asset of any member of the Wider Capital & Regional Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);
 - (iii) any past or present member of the Wider Capital & Regional Group, is or has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from:
 - (A) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by applicable US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or His Majesty's Revenue and Customs; or
 - (B) any government, entity or individual targeted by any of the economic sanctions of the UK, US, United Nations or the European Union or any of their respective member states; or
 - (iv) any member of the Wider Capital & Regional Group is, or has been, engaged in any transaction which would cause the Wider Capital & Regional Group or the Wider NewRiver Group to be in breach of any law or regulation prior to, or upon, completion of the Combination, including (but not limited to) the economic sanctions of the United States Office of Foreign Assets Control, or His

Majesty's Revenue and Customs, or any other relevant government authority,

which, in any case, is material in the context of the Wider Capital & Regional Group, taken as a whole, or material in the context of the Combination.

Part B

Further terms of the Combination

1. Conditions 2(a), 2(b), 3 and 4(a) to 4(k) (inclusive) of Part A of this Appendix 1 must each be fulfilled or (if capable of waiver) be waived by no later than 11:59 p.m. on the date immediately preceding the date of the Scheme Sanction Hearing (or such later date as NewRiver and Capital & Regional may agree and the Panel and, if required, the Court, may allow), failing which the Scheme will lapse.
2. Notwithstanding the paragraph above and subject to the requirements of the Panel and the Code, NewRiver reserves the right in its sole discretion to waive:
 - (a) any of the deadlines set out in paragraph 2 of Part A of this Appendix 1 for the timing of the Capital & Regional Court Meeting, Capital & Regional General Meeting and the Scheme Sanction Hearing. If any such deadline is not met, NewRiver shall make an announcement by 8.00 a.m. (London time) on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Capital & Regional to extend the deadline in relation to the relevant Condition; and
 - (b) in whole or in part, all or any of the Conditions set out in paragraphs 3 and 4(d) to (k) (inclusive) of Part A of this Appendix 1.
3. Subject to the requirements of the Panel, Capital & Regional reserves the right in its sole discretion to waive that part of the Condition in paragraph 4(a) of Part A of this Appendix 1 relating to the deadline for the NewRiver General Meeting. If such deadline is not met, Capital & Regional shall make an announcement by 8.00 a.m. (London time) on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the deadline or agreed with NewRiver to extend the deadline.
4. Save as set out in paragraphs 2 and 3 of this Part B of this Appendix 1, the Conditions in paragraphs 1, 2 and 4(a), 4(b) and 4(c) (inclusive) of Part A of this Appendix 1 may not be waived.
5. Neither NewRiver nor Capital & Regional shall be under any obligation to waive (if capable of waiver) or treat as satisfied any of the Conditions set out in paragraphs 3 and 4(a) to 4(k) (inclusive) of Part A of this Appendix 1 that it is entitled (with the consent of the Panel and subject to the requirements of the Code and the Co-operation Agreement) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
6. Under Rule 13.5(a) of the Code, NewRiver may only invoke a Condition so as to cause the Combination not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to NewRiver in the context of the Combination. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. The Conditions set out in paragraphs 1, 2(a), 2(b) and 2(c) and paragraphs 4(a) to 4(c) (inclusive) of Part A of this Appendix 1 and, if applicable, any acceptance condition if the Combination is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Code.
7. If NewRiver is required by the Panel to make an offer for Capital & Regional Shares under the provisions of Rule 9 of the Code, NewRiver may make such alterations to any of the above Conditions and the terms of the Combination as are necessary to comply with the provisions of Rule 9.
8. NewRiver reserves the right to elect to implement the Combination by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent and subject to the terms of the Co-operation Agreement). In such event, the Combination will be implemented

on the same terms and conditions (subject to appropriate amendments (including any amendments which are either required by applicable law or necessary to reflect the Takeover Offer) and subject to the terms of the Co-operation Agreement including (without limitation) the inclusion of an acceptance condition set at 90 per cent. of the issued share capital of Capital & Regional (or such lower percentage as NewRiver may, subject to the rules of the Code and with the consent of the Panel and in accordance with the provisions of the Co-operation Agreement, decide, being in any case more than 50 per cent. of the issued share capital of Capital & Regional)) as those which would apply to the Scheme. Further, if sufficient acceptances of the Takeover Offer are received and/or sufficient Capital & Regional Shares are otherwise acquired, it is the intention of NewRiver to apply the provisions of Chapter 3 of Part 28 of the Companies Act to compulsorily acquire any outstanding Capital & Regional Shares to which such Takeover Offer relates.

9. The Capital & Regional Shares will be acquired under the Scheme, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital or value (whether by reduction of share capital or share premium account or otherwise) made on or after the Effective Date.
10.
 - 10.1 Each of NewRiver and Capital & Regional agrees and acknowledges that Capital & Regional Shareholders will be entitled to receive and retain, in each case without any reduction being made to the consideration payable pursuant to the terms of the Combination:
 - 10.1.1 to the extent that the Scheme Record Time occurs after the record date in respect of, the Capital & Regional Interim Dividend; and
 - 10.1.2 if the record date for the NewRiver Interim Dividend is a date prior to the Scheme Record Time, any Capital & Regional Additional Dividend.
 - 10.2 Subject to the terms of the Scheme, if, on or after the date of this announcement and prior to the Effective Date, Capital & Regional announces, declares, makes or pays any Capital & Regional Additional Distribution, Capital & Regional Shareholders will be entitled to receive and retain such Capital & Regional Additional Distribution but NewRiver shall be entitled (without prejudice to any right NewRiver may have, with the consent of the Panel, to invoke Condition 4(h)(iii) in Part A of Appendix 1 to this announcement) to reduce the consideration payable pursuant to the terms of the Combination by an amount equivalent to all or any part of such Capital & Regional Additional Distribution, in which case any reference in this announcement to the consideration payable pursuant to the terms of the Combination will be deemed to be a reference to the consideration as so reduced. To the extent that any such Capital & Regional Additional Distribution has been declared but is cancelled, then the consideration payable pursuant to the terms of the Combination will not be subject to change in accordance with this paragraph. Any exercise by NewRiver of its rights referred to in this paragraph will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Combination.
11. The Combination will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document to be published in due course and such further terms as may be required to comply with the provisions of the Code.
12. This announcement and any rights or liabilities arising hereunder are, and the Combination, the Scheme and any Capital & Regional Forms of Proxy will be, governed by English law and subject to the jurisdiction of the courts of England and Wales. The Combination will be subject to the applicable requirements of the Companies Act, the Code, the Panel, the UK Listing Rules, MAR, the Financial Conduct Authority, the London Stock Exchange, the Johannesburg Stock Exchange and the JSE Listing Requirements.
13. The Combination is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail

or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.

14. The availability of the Combination to Capital & Regional Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
15. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

APPENDIX 2

SOURCES OF INFORMATION AND BASES OF CALCULATIONS

Unless otherwise stated, the following constitute the sources of information and bases of calculations in this announcement:

1. All prices quoted for NewRiver Shares and Capital & Regional Shares are closing middle market quotations of a NewRiver Share or Capital & Regional Share (as applicable) derived from the Daily Official List of the London Stock Exchange on the relevant date(s).
2. As at the close of business on the Last Practicable Date, 378,176,668 NewRiver Shares and 232,996,247 Capital & Regional Shares (including 399,297 Capital & Regional Shares held by the trustee of the Capital & Regional plc Employee Share Ownership Trust 2002 and available to be used to satisfy Capital & Regional Share Awards) were in issue and admitted to trading on the Main Market of the London Stock Exchange. The legal entity identifier for NewRiver is 2138004GX1VAUMH66L31. The ISIN for the NewRiver Shares is GB00BD7XPJ64. The legal entity identifier for Capital & Regional is 21380097W74N9OYF5Z25. The ISIN for the Capital & Regional Shares is GB00BL6XZ716.
3. As at the close of business on the Last Practicable Date, there was an aggregate maximum of 4,627,179 Capital & Regional Shares subject to subsisting Capital & Regional Share Awards. This number does not include any additional Capital & Regional Shares which will be added to such subsisting Capital & Regional Share Awards in respect of any dividends which have not yet been paid, including the Capital & Regional Interim Dividend. The remuneration committee of the Capital & Regional Board has resolved that, in the context of the Combination, Capital & Regional Share Awards will vest (if not already vested) and be exercisable on the Scheme being sanctioned by the Court in respect of a maximum of (i) 1,631,777 Capital & Regional Shares plus (ii) 120,800 Capital & Regional Shares pursuant to a Capital & Regional Share Award expected to be granted immediately prior to the Scheme being sanctioned by the Court, and to vest and be exercisable on the Scheme being sanctioned by the Court plus (iii) any additional Capital & Regional Shares which will be added to such subsisting Capital & Regional Share Awards in respect of any dividends which have not been paid as at the Last Practicable Date. In the event that the Scheme is sanctioned by the Court on or after 1 January 2025, Capital & Regional Share Awards will vest and be exercisable on the Scheme being sanctioned by the Court in respect of an additional maximum of 454,692 Capital & Regional Shares (excluding any additional Capital & Regional Shares which will be added to such subsisting Capital & Regional Share Awards in respect of any dividends which have not yet been paid, including the Capital & Regional Interim Dividend).
4. Any references to the issued, and to be issued, ordinary share capital of Capital & Regional are based on:
 - 4.1 the 232,996,247 Capital & Regional Shares referred to in paragraph 2 above; plus
 - 4.2 the 1,752,577 Capital & Regional Shares expected to be subject to Capital & Regional Share Awards when the Scheme is sanctioned by the Court; less
 - 4.3 the 399,297 Capital & Regional Shares held by the trustee of the Capital & Regional plc Employee Share Ownership Trust 2002 and available to be used to satisfy Capital & Regional Share Awards; plus
 - 4.4 the 454,692 additional Capital & Regional Shares in respect of which Capital & Regional Share Awards will vest and be exercisable if the Scheme is sanctioned by the Court after 1 January 2025; plus
 - 4.5 up to 87,009 additional Capital & Regional Shares which may be added to subsisting Capital & Regional Share Awards in respect of the Capital & Regional Interim Dividend.

5. All volume-weighted average NewRiver and Capital & Regional share prices are derived from data provided by Bloomberg for the relevant time periods.
6. Property portfolio and valuation information relating to NewRiver is from the valuation reports produced by each of Knight Frank and Colliers as set out in Appendix 4 to this announcement.
7. Property portfolio and valuation information relating to Capital & Regional is from the valuation report produced by Knight Frank and CBRE as set out in Appendix 4 to this announcement.
8. The balance sheet financial information (excluding the property valuations) relating to Capital & Regional is extracted from the unaudited interim results of Capital & Regional for the six month period ended 30 June 2024 published on 1 August 2024.
9. The profit and loss financial information relating to Capital & Regional is extracted from the audited consolidated financial statements of Capital & Regional for the year ended 30 December 2023 published on 30 April 2024, adjusted for the annualised impact of the acquisition of The Gyle, Edinburgh, which completed in September 2023, and the disposal of Luton and Redditch, which completed in March 2023 and September 2023, respectively.
10. The financial information relating to NewRiver is extracted from the audited consolidated financial statements of NewRiver for the year ended 31 March 2024 published on 21 June 2024 and includes the proportionate share of joint ventures and associates (note that debt maturity does not include the impact of associate debt) and is adjusted for:
 - 10.1 the disposals in the Napier joint venture in June 2023 (adjustment only made to profit and loss financial information);
 - 10.2 the disposal of two Work Out assets during the financial year ended 31 March 2024 (adjustment only made to profit and loss financial information);
 - 10.3 the disposal of one Work Out asset during the financial year ending 31 March 2025 (adjustment made to profit and loss and balance sheet financial information); and
 - 10.4 the acquisition of Ellandi during the financial year ending 31 March 2025 (adjustment made to profit and loss and balance sheet financial information).
11. UK Retail, UK Shopping Centres and UK Industrial sector average equivalent yields are extracted from the MSCI quarterly index as at June-2024.
12. ICR is calculated by comparing actual net property income received versus net cash interest payable on a 12 month look-back basis.
13. LTV is net debt divided by gross asset value per the Knight Frank valuation reports included in Appendix 4 to this announcement.
14. All occupational metrics including, Occupational Cost Ratio, in-store sales growth, distance travelled and shopper average net income are calculated based on information provided by Lloyds Bank on customer spend, covering 98 per cent. by value of Capital & Regional's assets and 67 per cent. by value of NewRiver's assets.
15. Combined portfolio statistics are calculated by the addition of the relevant figures for NewRiver and Capital & Regional on the basis outlined above.
16. Combined capital structure statistics are calculated by the addition of the relevant figures for NewRiver and Capital & Regional adjusted for:
 - 16.1 the cash component of the consideration payable pursuant to the Combination;
 - 16.2 estimated transaction costs;

- 16.3 estimated net pre-tax run-rate recurring annual cost synergies of £6.2 million (see Appendix 5 to this announcement for the Quantified Financial Benefit Statement);
- 16.4 the estimated net proceeds of the Placing; and
- 16.5 the repayment of Capital & Regional's Hemel Hempstead, Ilford and Edinburgh secured loan facilities totalling £59 million.
17. For the purposed of calculating the relevant shareholdings in NewRiver following the completion of the Combination, the enlarged issued ordinary share capital of NewRiver includes 62,737,200 new NewRiver Shares issued in connection with the Placing.

APPENDIX 3

DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

Capital & Regional Directors' Irrevocable Undertakings

The following Capital & Regional Directors who hold Capital & Regional Shares have given irrevocable undertakings to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Capital & Regional Resolution(s) at the Capital & Regional General Meeting in respect of their beneficial holdings (including those of their connected persons) of Capital & Regional Shares (or those Capital & Regional Shares over which they have control):

Name	Total number of Capital & Regional Shares	Percentage of Capital & Regional Shares in issue on the Last Practicable Date (%)
Capital & Regional Directors		
David Hunter	142,824	0.06
Lawrence Hutchings	87,042	0.04
Stuart Wetherly	87,812	0.04
Laura Whyte	36,950	0.02
Norbert Sasse	82,584	0.04
Total	437,212	0.19

The undertakings provided by the Capital & Regional Directors will cease to be binding if:

- the Combination terminates, lapses or is withdrawn in accordance with its terms;
- the Scheme has not become Effective, or the Offer has not been declared unconditional in all respects (as the case may be), in accordance with the requirements of the Code by 11.59 p.m. on the Long Stop Date or such later time or date as agreed between Capital & Regional and NewRiver with the approval of the Court and/or the Panel, if required; or
- the NewRiver Board withdraws, amends or changes its recommendation for the NewRiver Shareholders to vote in favour of the NewRiver Combination Resolution(s).

Growthpoint's Irrevocable Undertaking

Growthpoint has given an irrevocable undertaking to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Capital & Regional Resolution(s) at the Capital & Regional General Meeting in respect of its beneficial holdings of Capital & Regional Shares (or those Capital & Regional Shares over which it has control):

Name	Total number of Capital & Regional Shares	Percentage of Capital & Regional Shares in issue on the Last Practicable Date (%)
Growthpoint	160,648,081	68.9
Total	160,648,081	68.9

The obligations of Growthpoint under the irrevocable undertaking shall lapse and cease to have effect on and from the following occurrences:

- NewRiver announces, following the release of this announcement, with the consent of the Panel and before the Scheme Document (or Takeover Offer document, if applicable) is published, that it does not intend to proceed with the Combination and no new, revised or replacement Scheme or Takeover Offer is announced by NewRiver in accordance with Rule 2.7 of the Code;
- the Combination does not become Effective, is withdrawn or lapses in accordance with its terms, unless:
 - the Combination is withdrawn or lapses solely as a result of NewRiver exercising its right to implement the Combination by way of a Takeover Offer rather than a Scheme or vice versa; or
 - if the lapse or withdrawal either is not confirmed by NewRiver or is followed within 10 Business Days by an announcement under Rule 2.7 of the Code by NewRiver (or a person acting in concert with it) to implement the Combination either by a new, revised or replacement Scheme or Takeover Offer;
- any competing offer for Capital & Regional is made which becomes, or is declared, unconditional or otherwise becomes effective; or
- an announcement is made in accordance with Rule 2.7 of the Code of a competing offer (whether by means of a takeover offer within the meaning of section 974 of the Companies Act 2006 or by way of a scheme of arrangement under section 895 of the Companies Act 2006) for the ordinary shares in Capital & Regional, the value of the consideration per Capital & Regional Share available under which at the time it is made exceeds 68.75 pence per Capital & Regional Share and NewRiver does not match that competing offer with a revised offer that is at least equivalent to the value of such competing offer (in the reasonable opinion of the Capital & Regional Board, having taken advice from its financial adviser(s)) with 10 days of such competing offer being made.

Growthpoint has also undertaken not to sell any New NewRiver Shares which may be issued to it under the terms of the Combination (i) for a period of five months following the Effective Date without the prior written consent of NewRiver and other than through NewRiver's financial adviser; and (ii) for a further period of four months thereafter, without first giving NewRiver reasonable written notice of any such sale, in both cases subject to certain customary exceptions.

NewRiver Directors' Irrevocable Undertakings

The following NewRiver Directors who hold NewRiver Shares have given irrevocable undertakings to vote, or procure the vote, in favour of the NewRiver Resolution(s) at the NewRiver General Meeting in respect of their beneficial holdings (including those of their connected persons) of NewRiver Shares (or those NewRiver Shares over which they have control):

Name	Total number of NewRiver Shares	Percentage of NewRiver Shares in issue on the Last Practicable Date (%)
NewRiver Directors		
Lynn Fordham	187,500	0.05
Allan Lockhart	630,541	0.17
Will Hobman	425,551	0.11
Alastair Miller	99,806	0.03

Karen Miller	18,750	0.00
Charlie Parker	21,454	0.01
Total	1,383,602	0.37

The undertakings provided by the NewRiver Directors will cease to be binding if:

- the Combination terminates, lapses or is withdrawn in accordance with its terms;
- the Scheme has not become Effective, or the Offer has not been declared unconditional in all respects (as the case may be), in accordance with the requirements of the Code by 11.59 p.m. on the Long Stop Date or such later time or date as agreed between Capital & Regional and NewRiver with the approval of the Court and/or the Panel, if required; or
- NewRiver announces that it does intend to proceed with the Combination and no revised Scheme or Takeover Offer is announced at the same time; or
- any competing offer for Capital & Regional is made which becomes, or is declared, unconditional or otherwise becomes effective.

APPENDIX 4

VALUATION REPORTS

Part A – Knight Frank Valuation Report (NewRiver Portfolio)

Valuation Report

NewRiver REIT plc
Valuation date: 30 June 2024

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a responsibility, a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

NewRiver REIT plc
89 Whitfield Street
London
W1T 4DE (hereinafter referred to as the “**Client**” and the “**Offeror**”)

Jefferies International Limited (acting as lead financial adviser and joint corporate broker to the Client)
100 Bishopsgate
London
EC2N 4JL (hereinafter referred to as the “**Offeror Financial Adviser**”)

Panmure Liberum Limited (acting as sole sponsor and joint corporate broker to the Client)
Ropemaker Place
Level 12
25 Ropemaker Street
London
EC2Y 9LY (hereinafter referred to as the “**Offeror Sponsor**”)

Kinmont Limited (acting as joint financial adviser to the Client)
5 Clifford Street
London
W1S 2LG

Shore Capital Stockbrokers Limited (acting as joint corporate broker to the Client)
Cassini House
57 St James’s Street
London
SW1A 1LD

(together, hereinafter referred to as the “**Offeror Addressees**”)

Capital & Regional plc
Strand Bridge House
138-142 Strand
London
WC2R 1HH (hereinafter referred to the “**Offeree**”)

Numis Securities Limited (trading as Deutsche Numis) (acting as joint financial adviser and joint corporate broker to Offeree)
45 Gresham Street
London
EC2V 7BF

Stifel Nicolaus Europe Limited (acting as joint financial adviser and joint corporate broker to Offeree)
4th Floor
150 Cheapside
London
EC2V 6ET

(together, hereinafter referred to as the “**Offeree Joint Financial Advisers**”)

(each an "Addressee" and together the "Addressees")

Our Ref: 1148756
Date of issue: 24 September 2024

Dear Sir/Madam

Valuation Report in respect of the properties of NewRiver REIT plc as at 30 June 2024 for inclusion in a Rule 2.4 Announcement, Rule 2.7 Announcement, Scheme Document and Prospectus ("Valuation Report")

Further to your instructions, we are pleased to provide our Valuation Report in respect of the freehold, heritable or leasehold interests in the properties ("**Properties**") set out in Appendix 1 (Schedule of Properties) below in connection with inclusion in a Rule 2.4 Announcement, Rule 2.7 Announcement, Scheme Document to be published by the Offeree and a Prospectus to be published by the Offeror, in connection with a possible acquisition of the entire issued, and to be issued, share capital of the Offeree by the Offeror (the "**Transaction**").

Signed for and on behalf of Knight Frank LLP

Signature.

Signature.

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Knight Frank is the trading name of Knight Frank LLP. Knight Frank LLP is a limited liability partnership registered in England and Wales with registered number OC305934. Our registered office is at 55 Baker Street, London W1U 8AN where you may look at a list of members' names. If we use the term 'partner' when referring to one of our representatives, that person will either be a member, employee, worker or consultant of Knight Frank LLP and not a partner in a partnership.

1. About this report

Engagement of Knight Frank LLP

- 1.1 This Valuation Report sets out our valuation, as at 30 June 2024 ("**Valuation Date**"), of the Properties ("**Valuation**"). This Valuation Report has been prepared in accordance with our Terms of Engagement letter dated 13 September 2024 addressed to the Addressees, and our General Terms of Business for Valuation Services (together the "**Agreement**").

Client

- 1.2 We have been instructed to prepare this Valuation Report by NewRiver REIT plc. However as set out above, this Valuation Report has also been addressed to other Addressees.

Valuation standards

- 1.3 The Valuation has been undertaken in accordance with and complies with: (a) the current editions of RICS Valuation – Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. References to the "**Red Book**" refer to either or both of these documents, as applicable; (b) Rule 29 of the City Code on Takeovers and Mergers (the "**Code**") as issued by the UK Panel on Takeovers and Mergers; (c) paragraphs 128-130 of the Financial Conduct Authority ("**FCA**") Primary Market Technical Note 619.1 (the "**FCA Technical Note**"); and (d) Rules 5.4.5 and 5.4.6 of the UK Prospectus Regulation Rules published by the FCA. This Valuation Report is an unqualified valuation report prepared in accordance with the requirements of Rule 29 of the Code by a valuer who has had access to sufficient information to prepare it.
- 1.4 The Properties have been valued by a valuer who is qualified for the purposes of the Valuation in accordance with Rule 29 of the Code. For the purposes of this Valuation Report, "**UK Prospectus Regulation Rules**" shall mean the prospectus regulation rules made by the FCA for the purposes of part 6 of the Financial Services and Markets Act 2000, as amended.

Status and experience of valuer

Valuer and expertise

- 1.5 The valuers, on behalf of Knight Frank LLP, with the responsibility for this Valuation Report are Gavin Spreyer MRICS, RICS Registered Valuer and Tom Withey MRICS, RICS Registered Valuer ("**Responsible Valuers**"). Parts of the Valuation have been undertaken by additional valuers as listed on our file.
- 1.6 We confirm that the Responsible Valuers and any additional valuers who value the Properties meet the requirements of the Red Book and Rule 29.3(a)(iii) of the Code in having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation and prepare this Valuation Report competently and are appropriately qualified for the purposes of the Valuation as required by Rule 29.3(a)(ii) of the Code and are independent of the parties to the offer as required by Rule 29.3(a)(i) of the Code.
- 1.7 We confirm that we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code.

Conflicts of Interest: Declaration and Disclosures

- 1.8 We confirm that the Responsible Valuers and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation competently.
- 1.9 We confirm that we have no material interest in the Client and we have acted as an External Valuer for the purpose of valuing the Properties pursuant to the terms of our letter of engagement dated 14 August 2017.
- 1.10 This Valuation Report has been vetted as part of Knight Frank LLP's quality assurance procedures.
- 1.11 We recognise and support the RICS Rules of Conduct and have procedures for identifying conflicts of interest.

Independence

- 1.12 Knight Frank LLP currently values the Properties, for financial reporting purposes, on behalf of the Client. The total fees for this assignment, earned by Knight Frank LLP (or other companies forming part of the same group of companies within the UK) from the Client (or other companies within the UK) is less than 5.0% of the total UK revenues. It is not anticipated that there will be a material increase in the proportion of the fees payable, or likely to be payable, by the Client.
- 1.13 Other than these valuation services, Knight Frank LLP has no material involvement with the assets being valued and we confirm that we can report without any material conflict.

Use of this Valuation

Purpose of valuation

- 1.14 The Valuation and this Valuation Report are each provided solely for the purpose of:
- (A) inclusion in an announcement proposed to be made by the Offeror pursuant to Rule 2.4 of the Code in connection with the Transaction (the "**Rule 2.4 Announcement**");
 - (B) inclusion in an announcement proposed to be made by the Offeror and the Offeree pursuant to Rule 2.7 of the Code in connection with the Transaction (the "**Rule 2.7 Announcement**");
 - (C) inclusion in a scheme circular to be published by the Offeree in connection with the Transaction (the "**Scheme Document**");
 - (D) inclusion in a prospectus to be published by the Offeror in connection with the Transaction and the issue and allotment of new shares in the capital of the Offeror pursuant, amongst other things, to the terms of the Transaction (the "**Prospectus**");
 - (E) inclusion and/or reference to it in any other announcements, documents and/or supplementary documents required to be released by the Offeror and/or the Offeree pursuant to the Code and which directly relate to the Transaction (each a "**Code Document**"); and
 - (F) publication on the Offeror's website and the Offeree's website in accordance with the requirements of Rule 26.3 of the Code and the UK Prospectus Regulation Rules,

(together, the “**Purpose**”).

Reliance

1.15 This Valuation Report has been prepared for the Addressees only and is for the use of, and may be relied upon by, the Addressees for the Purpose. Notwithstanding the General Terms, we acknowledge that this Valuation Report will also be for the use of the shareholders of the Offeror and the Offeree for the Purpose set out above.

1.16 Save for: (a) the Addressees; and (b) any responsibility arising under the Code and/or the UK Prospectus Regulation Rules to any person as and to the extent there provided, in accordance with Clauses 3 & 4 of the General Terms and 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 this Valuation Report or our statement, required by and given solely for the purposes of complying with the UK Prospectus Regulation Rules and Rule 29 of the Code.

Disclosure & publication

1.17 The Valuation has been prepared for the Client and in accordance with the Agreement which governs its purpose and use. As stated in the Agreement, this Valuation Report is confidential to the Addressees and must not be disclosed to any person other than for the Purpose without our express written consent. Other than for the Purpose, neither the whole, nor any part of this Valuation Report nor any reference thereto may be included in any prospectus, listing particulars, published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.

1.18 Notwithstanding paragraph 1.17 above, this Valuation Report may be disclosed as set out below:

Subject to the terms and conditions (but disregarding for these purposes clauses 4.3 to 4.6 (inclusive) of the General Terms) of the Agreement and our approval of the form and context thereof, we hereby confirm that we will authorise and consent to the disclosure of this Valuation Report:

- i. as may be required by any applicable court of competent jurisdiction or other competent judicial or governmental body or any applicable law or regulation or pursuant to government action, regulatory requirement or request;
- ii. to each Addressee's affiliates and each Addressee's affiliates' respective directors, officers, employees, agents, professional advisers, insurers, auditors and bankers that need to see the Valuation in connection with the Purpose;
- iii. in the case of the Offeror Addressees, in seeking to establish a defence or otherwise in connection with any actual or threatened legal or regulatory proceedings or investigation relating to the matters set out in this Valuation Report or claims that may be brought against them arising from their roles as financial adviser, sponsor and/or joint corporate broker (as applicable) to the Offeror;
- iv. in the case of the Offeree Joint Financial Advisers, in seeking to establish a defence or otherwise in connection with any actual or threatened legal or regulatory proceedings or investigation relating to the matters set out in this Valuation Report or claims that may be brought against them arising from their roles as joint financial adviser and/or joint corporate broker (as applicable) to the Offeree;

- v. in investor presentations and other investor education materials prepared in connection with the Transaction, and in any private discussions with Investors or other third parties in connection with the Transaction;
- vi. for the Purpose; and
- vii. to any Addressee's insurers in respect of any claim or potential claim relating to the Transaction, but in each case only on the basis that: (a) such disclosure is made to inform the recipient that Knight Frank have no duty of care and therefore shall have no liability to the recipient in respect of the relevant document; and (b) such recipient agrees not to provide a copy of the document to any other person without the prior written consent of Knight Frank.

1.19 It is a condition of such disclosure that each party in receipt of this Valuation Report that is not an Addressee agrees and acknowledges that this Valuation Report cannot be relied upon by them, and we do not accept any responsibility, duty of care or liability to them, whether in contract, tort (including negligence), misrepresentation or otherwise in respect of the Valuation and the information it contains. For the avoidance of doubt, nothing in the preceding sentence shall affect our responsibility, for the purposes of Rule 5.3.2R(2)(f) of the UK Prospectus Regulation Rules, or under paragraphs 1.15 and 1.16 of this Valuation Report for the information contained in this Valuation Report.

1.20 This Valuation Report complies with Rule 29 of the Code and we understand that the publication or reproduction by the Offeror or the Offeree of this Valuation Report and/or the information contained herein as required by Rules 26 and 29 of the Code is necessary, including in the Rule 2.4 Announcement, the Rule 2.7 Announcement, the Scheme Document and any Code Document.

1.21 We confirm that this Valuation Report complies with Rules 5.4.5G and 5.4.6G of the UK Prospectus Regulation Rules and paragraphs 128 to 130 of the FCA Technical Note.

1.22 We confirm that the information contained in the Prospectus which is extracted from this Valuation Report is accurate, balanced and complete and is not misleading or inconsistent with this Valuation Report as prepared by us and has been properly extracted, derived or computed from this Valuation Report.

1.23 The Addressees agree and acknowledge that we shall have no liability for any error, omission or inaccuracy in this Valuation Report to the extent resulting from our reliance on information provided by or on behalf of the Client unless otherwise stated. Notwithstanding the above, we highlight the restricted nature of this instruction, in accordance with the Red Book; as a result the reliance that can be placed on the Valuation is limited.

Verification

1.24 We recommend that before any financial transaction is entered into based upon the Valuation, you obtain verification of any third-party information contained within this Valuation Report.

1.25 We would advise you that whilst we have valued the Properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this Valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

Limitations on liability

- 1.26 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.
- 1.27 We confirm that we hold adequate and appropriate PII cover for this instruction.
- 1.28 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.
- 1.29 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law or regulation.

Scope of work

General Scope of Valuation Work

- 1.30 The Valuation has been undertaken, and this Valuation Report prepared, in accordance with the General Scope of Valuation Work appended to this Valuation Report at Appendix 2.

Information to be relied upon

- 1.31 We have relied upon the information previously provided to us by the Client, or by third parties in respect of the 30 June 2024 Valuation and will assume it to be correct for the purposes of the Valuation unless you inform us otherwise, subject only to any valuation that we have agreed to undertake.
- 1.32 Where we express an opinion in respect of (or which depends upon) legal issues, any such opinion must be verified by your legal advisors before any Valuation can be relied upon.
- 1.33 We are instructed to rely on floor areas and tenancy information provided by the Client. We have not read lease agreements nor verified accordance between tenancy schedule and lease terms.
- 1.34 Knight Frank LLP cannot be held liable as regards the legal description of the Properties, its use, non-compliance with statutory requirements, technological and natural risks, the areas taken into account, the existence of concealed defects, presence of asbestos, adverse ground condition, presence of soil contamination, presence of insects, noxious animals or plants, rot, or deleterious materials, etc. This Valuation Report comments on the above on the basis of Technical or Environmental reports, if provided.

Inspections

- 1.35 In undertaking the Valuation and in our role as External Valuers under the existing statutory valuation, we have carried out an inspection of the Properties internally and externally. Our inspections of all the Properties have been undertaken within the last six months.

Information Provided

- 1.36 In this Valuation Report we have been provided with information by the Client, its advisors and other third parties. We have relied upon this information as being materially correct in all aspects.
- 1.37 In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this Valuation Report.
- 1.38 We have assumed there to be good and marketable titles to the Properties. We have made oral enquiries with the Client where appropriate and have taken account, insofar as we are aware, of unusual outgoing, planning proposals and onerous restrictions or local authority intentions which affect the Properties. However, this information has been provided to us on the basis that it should not be relied upon.
- 1.39 We have been supplied with details of tenure and tenancies and have valued on the basis that there are no undisclosed matters which would affect our valuation.
- 1.40 We have not undertaken any building surveys or environmental audits and are therefore unable to report that the Properties are free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of materials now suspect. No tests were carried out on any of the technical services. However, we have reflected any apparent wants of repair in our opinion of value as appropriate.
- 1.41 The Properties have been valued individually, not as part of a portfolio.

Assumptions

- 1.42 We have assumed, except where we have been informed to the contrary, that there are no adverse ground or soil conditions or environmental contaminations which would affect the present or future use of the Properties and that the load bearing qualities of the site of each property are sufficient to support the buildings constructed or to be constructed thereon.
- 1.43 The valuation of the long leasehold interest held in The Martlets, Burgess Hill, RH15 9NN has been undertaken on a residual basis reflecting the partial refurbishment and part re-development of the property. Planning consent dated 2 July 2021 exists and has been implemented and the intention is to construct 100 one bedroom and 72 two bedroom apartments, together with commercial accommodation extending to 10,358 sq m (111,496 sq ft) and 16 additional residential units above. There are proposals to sell the land for the development of the 172 residential apartments, subject to restructure of the title. The total gross development value of the refurbishment/redevelopment is in the order of £77,150,000 with the total construction costs including professional fees and finance of £63,400,000.
- 1.44 With regard to the valuation of the freehold interest in Grays Shopping Centre, Grays, RM17 6QE we have had regard to the existing occupational profile. The Client is pursuing the potential for a comprehensive residential redevelopment and has submitted a planning application for up to 860 residential units, subject to viability. The valuation is based on the existing use value of the property but has regard to the 'hope' for future redevelopment that is implied in the scheme yield.
- 1.45 Since 30 June 2024 we are aware that Carpetright Plc which occupy a retail warehouse at Vale Gate Retail Park, Cardiff, CF5 6EH, have served notice of intent to file for administration. The full implications

of any potential administration are as yet unknown and our valuation currently reflects the uncertainty of the situation.

- 1.46 We have been informed that there was a fire at Blackburn Retail/Leisure Park, Lower Audley Street, Blackburn, BB2 3DY on 6 May 2023 affecting Unit 2 which was vacant at the date of the fire and Unit 4 which was let to the tenant, B&M Retail Limited. We understand that Unit 4 has been subject to substantial damage and temporary closure and Unit 2 was vacant and also subject to substantial damage. We understand that all insurance re-instatement policies are in place for both Unit 2 and Unit 4 and there is a sufficient level of rent cover on Unit 4, until such time as the building is fully repaired. We have valued both Unit 2 and Unit 4 adopting the investment method of valuation and at the date of valuation Unit 2 was being fitted out by the new tenant Jollyes and Unit 4 was not occupied by B&M and was still undergoing repair works.
- 1.47 The valuation of the Sprucefield Retail Park, Hillsborough Road, Lisburn, BT27 5UQ and The Moor, Sheffield, South Yorkshire, S1 4PF presented within this valuation report is the 100% freehold or long leasehold interests held in the properties by the respective partnerships. The valuation does not detail the proportionate ownership and value thereof held by the Client. We understand NewRiver REIT plc have a 10% interest in the Partnerships.
- 1.48 In valuing the property at the Sprucefield Retail Park, Hillsborough Road, Lisburn, BT27 5UQ, terms have been agreed, subject to planning, for Lidl to acquire 2.70 acres of land for the development of a 27,000 sq ft foodstore. There is also surplus development land without planning to which we have applied a value of £1m. We have also had regard to the anticipated practical completion of three retail units in September 2024 pre-let to SC Hospitality Ltd (t/a Slim Chickens), Nandos Chickenland Ltd (t/a Nandos), and Tolren Ltd (t/a Starbucks) and have deducted the remaining construction costs of £1,866,999.

2. Valuation

Methodology

2.1 The Valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Comparative method

2.2 In undertaking the Valuation, we have made our assessment on the basis of a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinity of the subject properties. With the benefit of such transactions we have then applied these to the Properties, taking into account size, location, aspect and other material factors.

Investment method

2.3 The Valuation has been carried out using the comparative and investment methods. In undertaking the Valuation, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject Properties. With the benefit of such transactions we have then applied these to the Properties, taking into account size, location, terms, covenant and other material factors.

Valuation bases

2.4 The basis of value for the Valuation as required by the Code is Market Value and therefore these valuations have been prepared on a Market Value basis.

Market Value

2.5 Market Value is defined within RICS Valuation – Global Standards 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.”

Portfolios

2.6 In a valuation of a property portfolio, we have valued the individual properties separately and we have assumed that the individual properties have been marketed in an orderly way.

Market Value

Market Value of Non Partnership Properties

2.7 We are of the opinion that the aggregate Market Value of the freehold, heritable and long leasehold interests in the Properties, subject to the existing tenancies on the assumptions highlighted above, as at the Valuation Date is:

£300,455,000 (Three Hundred Million, Four Hundred and Fifty Five Thousand Pounds).

2.8 The number of Freehold/Heritable and Long Leasehold interests in the Non Partnership Properties and aggregate Market Value is summarised in the table below.

Property Type	Freehold/Heritable	Long Leasehold	Total
Market Value of Properties held for Investment/Development	11 Properties	8 Properties	19 Properties £300,455,000

Market Value of Partnership Properties

2.9 We are of the opinion that the aggregate Market Value of the freehold and long leasehold interests in the Properties, subject to the existing tenancies on the assumptions highlighted above, as at the Valuation Date is:

£99,200,000 (Ninety Nine Million, Two Hundred Thousand Pounds).

2.10 The number of Freehold and Long Leasehold interests in the Partnership Properties and aggregate Market Value is summarised in the table below.

Property Type	Freehold	Long Leasehold	Total
Market Value of Properties held for Investment	1 Property	1 Property	2 Properties £99,200,000

2.11 For the purposes of Rule 29.5 of the Code, we confirm that in our opinion the current valuation of the Properties as at the date of this Valuation Report would not be materially different from the valuation of the Properties as at the Valuation Date.

2.12 We are not aware, as a result of our role as an External Valuer of the Properties of any matter which would materially affect the Market Value of the Properties which is not disclosed in this Valuation Report (subject to the assumptions set out in this Valuation Report) and we are not aware of any matter in relation to this Valuation Report that we believe should be and has not yet been brought to the attention of the Addressees.

2.13 For the purposes of paragraph 130(vi) of the FCA Technical Note, we consider the: (i) 0.20% difference in respect of the Non Partnership Properties; and (ii) -0.77% difference in respect of the Partnership Properties, between the valuation figures in this Valuation Report and the equivalent figures reported in the Client's latest published annual or consolidated accounts for 31 March 2024 to be as a result of the occupational changes, capital expenditure and market movements.

Responsibility

2.14 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 this 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 Valuation Report complies with and is prepared in accordance with, and on the basis of, the Code. We authorise its contents for the purposes of Rule 29 of the Code. Knight Frank LLP has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Rule 2.4 Announcement, the Rule 2.7 Announcement, the Scheme Document and in the Prospectus.

- 2.15 We accept responsibility (including for the purpose of Rule 5.3.2R(2)(f) of the UK Prospectus Regulation Rules) for the information contained in this Valuation Report and 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 omission likely to affect its import.

Consent

- 2.16 Knight Frank LLP has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Rule 2.4 Announcement, the Rule 2.7 Announcement, the Scheme Document and in the Prospectus published by the Client and/or the Offeree in the form and context in which it is included.
- 2.17 We consent to the inclusion of the Valuation and this Valuation Report and any extracts or references thereto in the Prospectus and the reference to our name in the form and context in which they are included in the Prospectus (subject to us first approving the form and context in which our Valuation Report will appear).

Appendix 1 List of Properties

Property Address – Retail Warehouse / Supermarket	Tenure	Property Type	Date of Inspection	Ownership Purpose
Hollywood Retail & Leisure, Barrow-In-Furness , LA14 2NA	Freehold	Retail Warehouses	01/07/2024	Investment
Waterfront Retail Park, Barry , CF63 4BA	Long Leasehold	Retail Warehouses	07/02/2024	Investment
Blackburn Retail/Leisure Park, Lower Audley Street, Blackburn , BB2 3DY	Long Leasehold	Retail Warehouses	02/07/2024	Investment
Enterprise 5 Retail Park, Bradford Road, Bradford , BD10 8EG	Long Leasehold	Retail Warehouses	02/07/2024	Investment
Vale Gate Retail Park, Cardiff , CF5 6EH	Freehold	Retail Warehouses	07/02/2024	Investment
Rishworth Centre & Railway St, Dewsbury , WF12 8EQ	Freehold	Retail Warehouses	02/07/2024	Investment
Cuckoo Bridge Retail Park, Glasgow Road, Dumfries , DG2 9BF	Heritable	Retail Warehouses	01/07/2024	Investment
Eastham Point, New Chester Road Wirral, Eastham , CH62 8HJ	Freehold	Supermarket and Retail Shops	02/07/2024	Investment
South Lakeland Retail Park, Appleby Road, Kendal , LA9 6DU	Long Leasehold	Retail Warehouses	01/07/2024	Investment
Kirkstall Retail Park, 1 Savins Mill Way, Leeds , LS5 3RP	Long Leasehold	Retail Warehouses	02/07/2024	Investment
The Speke Retail Park, Speke, Liverpool , L24 2WZ	Long Leasehold	Retail Warehouses	02/07/2024	Investment

Property Address – Retail Warehouse (Partnership Property)	Tenure	Property Type	Date of Inspection	Ownership Purpose
Sprucefield Retail Park, Hillsborough Road, Lisburn , BT27 5UQ	Freehold	Retail Warehouses	14/08/2024	Investment

Property Address – Shopping Centres & Single Retail Unit	Tenure	Property Type	Date of Inspection	Ownership Purpose
60-64 Church Walk, Burgess Hill , RH15 9AS	Freehold	Single shop unit with vacant upper parts	30/06/2024	Investment
The Martlets, Burgess Hill , RH15 9NN	Long Leasehold	Former shopping centre for Development/Refurbishment	30/06/2024	Development
Locks Heath Shopping Village, Fareham , SO31 6DX	Freehold	Shopping centre	29/06/2024	Investment
Grays Shopping Centre, Grays , RM17 6QE	Freehold	Shopping centre	28/06/2024	Investment
Priory Meadow Shopping Centre, Hastings , TN34 1PH	Long Leasehold	Shopping centre	30/06/2024	Investment
The Avenue Shopping Centre, Newton Mearns , G77 6AA	Heritable	Shopping centre	01/07/2024	Investment
Abbey Centre, Newtownabbey , BT37 9UH	Freehold	Shopping centre	02/07/2024	Investment
The Forum Shopping Centre, Wallsend , NE28 8JP	Freehold	Shopping centre	02/07/2024	Investment

Property Address – Shopping Centre (Partnership Property)	Tenure	Property Type	Date of Inspection	Ownership Purpose
The Moor, Sheffield , S1 4PF	Long Leasehold	Shopping Centre	14/08/2024	Investment

Appendix 2 General Scope of Valuation Work

General Scope of Valuation Work

As required by the RICS Valuation – Global Standards (the “Red Book”) this General Scope of Valuation Work describes information we will rely on, the investigations that we will undertake, the limits that will apply to those investigations and the assumptions we will make, unless we are provided with or find information to the contrary.

Definitions

“**Assumption**” is something which it is agreed the valuer can reasonably accept as being true without specific investigation or verification.

“**Property**” is the interest which we are instructed to value in land including any buildings or other improvements constructed upon it.

“**Valuation**” shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to this engagement and any other replies or information we produce in respect of any such report and/or any relevant property.

1. Property to be valued

- 1.1 We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the address provided in your instructions, is the Property inspected by us and included within our Valuation. If there is ambiguity as to the Property address, or the extent of the Property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our Valuation.
- 1.2 We will rely upon information provided by you or your legal advisers relating to the Property to be valued, including any tenancies, sub-tenancies or other third-party interests. Any information on title and tenure we are provided with by a third party during the course of our investigations will be summarised in our Valuation but will be subject to verification by your legal advisers. We will be under no obligation to make any searches of publicly available land registers. We will not make or commission any investigations to verify any of this information. In particular, we will not investigate or verify that:
 - (a) all title information relied upon and referred to in our Valuation is complete and correct,
 - (b) all documentation is satisfactorily drawn,
 - (c) there are no undisclosed onerous conditions or restrictions that could impact on the marketability of the Property valued, and
 - (d) there is no material litigation pending, relating to the Property valued.
- 1.3 Where we provide a plan of the Property in our Valuation this is for identification only. While the plan reflects our understanding based on the information provided to us it must not be relied upon to define boundaries, title or easements.
- 1.4 Our Valuation will include those items of plant and machinery normally considered to be part of the service installations to a building and which would normally pass with the Property on a sale or letting. We will exclude all other items of process plant, machinery, trade fixtures and equipment, chattels, vehicles, stock and loose tools, and any tenant’s fixtures and fittings.
- 1.5 Unless agreed otherwise in writing we will neither investigate nor include in our Valuation any unproven or unquantified mineral deposits, felled timber, airspace or any other matter which may or may not be found to be part of the Property but which would not be known to a buyer or seller on the valuation date.

- 1.6 Unless agreed otherwise our Valuation will make the Assumption that all parts of the Property occupied by the current owner on the valuation date would be transferred with vacant possession and any tenancies, sub-tenancies or other third party interests existing on the valuation date will continue.

- 1.7 Where requested legal title and tenancy information is not provided in full, in the absence of any information provided to the contrary, our Valuation will make the Assumption that the subject Property has good title and is free from any onerous restrictions and/or encumbrances or any such matter which would diminish its value.

2. Portfolios

- 2.1 Where instructed to value a portfolio of properties, unless specifically agreed with you otherwise, we will value each Property separately on the basis that it is offered individually to the market.

3. Building specification and condition

- 3.1 We will note the general condition of any building and any building defect brought to our attention and reflect this in our Valuation. We will not undertake a detailed investigation of the materials or methods of construction or of the condition of any specific building element. We will not test or commission a test of service installations. Unless we become aware during our normal investigations of anything to the contrary and mention this in our Valuation, our Valuation will, make the Assumption that:
 - (a) any building is in a condition commensurate with its age, use and design and is free from significant defect,
 - (b) no construction materials have been used that are deleterious, or likely to give rise to structural defects,
 - (c) no potentially hazardous or harmful materials are present, including asbestos,
 - (d) all relevant statutory requirements relating to use, construction and fire safety have been complied with,
 - (e) any building services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction and
 - (f) the supply to the building of electricity, data cable network and water, are sufficient for the stated use and occupancy.

- 3.2 If you require information on the structure or condition of any building our specialist building surveyors can provide a suitable report as a separate service.

4. Environment and sustainability

- 4.1 Our Valuation will reflect the market’s perception of the environmental performance of the Property and any identified environmental risks as at the valuation date. This may include reflecting information you provide to us that has been prepared by suitably qualified consultants on compliance of existing or proposed buildings with recognised sustainability metrics. Where appropriate we will research any freely available information issued by public bodies on the energy performance of existing buildings.

- 4.2 We will investigate whether the Property has a current Energy Performance Certificate on the relevant government register and report our findings. As part of our valuation service we will not advise on the extent to which the Property complies with any other Environmental, Social or Governance (ESG) metrics or to what extent the building, structure, technical services, ground conditions, will be impacted by future climate change events, such as extreme weather, or legislation aimed at mitigating the impact of such events. If required KF may be able to advise on ESG considerations and their long-term impact on a Property as a separate service.
- 5. Ground conditions and contamination**
- 5.1 We may rely on any information you provide to us about the findings and conclusions of any specialist investigations into ground conditions or any contamination that may affect the Property. Otherwise our investigations will be limited to research of freely available information issued by Government Agencies and other public bodies for flood risk, recorded mining activity and radon. We will also record any common sources or indicators of potential contamination observed during our inspection.
- 5.2 Unless specifically instructed by you to do so, we will not commission specialist investigations into past or present uses either of the Property or any neighbouring property to establish whether there is contamination or potential for contamination, or any other potential environmental risk. Neither will we be able to advise on any remedial or preventive measures.
- 5.3 We will comment on our findings and any other information in our possession or discovered during our investigations in our Valuation.
- 5.4 Unless we become aware of anything to the contrary and mention this in our Valuation, for each Property valued our Valuation will make the Assumption that:
- (g) the site is physically capable of development or redevelopment, when appropriate, and that no extraordinary costs will be incurred in providing foundations and infrastructure,
 - (h) there are no archaeological remains on or under the land which could adversely impact on value,
 - (i) the Property is not adversely affected by any form of pollution or contamination,
 - (j) there is no abnormal risk of flooding,
 - (k) there are no high voltage overhead cables or large electrical supply equipment affecting the Property
 - (l) the Property does not have levels of radon gas that will require mitigation work, and
 - (m) there are no invasive species present at the Property or within close proximity to the Property.
 - (n) There are no protected species which could adversely affect the use of the Property.
- 6. Planning and highway enquiries**
- 6.1 We may research freely available information on planning history and relevant current policies or proposals relating to any Property being valued using the appropriate local authority website. We will not commission a formal local search. Our Valuation will make the Assumption that any information obtained will be correct, but our findings should not be relied on for any contractual purpose.
- 6.2 Unless we obtain information to the contrary, Our Valuation will make the Assumption that:
- (o) the use to which the Property is put is lawful and that there is no pending enforcement action,
- (p) there are no local authority proposals that might involve the use of compulsory purchase powers or otherwise directly affect the Property.
- 6.3 We do not undertake searches to establish whether any road or pathways providing access to the Property are publicly adopted. Unless we receive information to the contrary or have other reason to suspect an adjoining road or other access route is not adopted, our Valuation will make the Assumption that all such routes are publicly adopted.
- 7. Other statutory and regulatory requirements**
- 7.1 A property owner or occupier may be subject to statutory regulations depending on their use. Depending on how a particular owner or occupier uses a building, the applicable regulations may require alterations to be made to buildings. Our valuation service does not include identifying or otherwise advising on works that may be required by a specific user in order to comply with any regulations applicable to the current or a proposed use of the Property. Unless it is clear that similar alterations would be required by most prospective buyers in the market for a property, our Valuation will make the Assumption that no work would be required by a prospective owner or occupier to comply with regulatory requirements relating to their intended use.
- 7.2 We will not investigate or comment on licences or permits that may be required by the current or any potential users of the Property relating to their use or occupation.
- 8. Measurements**
- 8.1 Where building floor areas are required for our valuation, unless we have agreed to rely on floor areas provided by you or a third party, we will take measurements and calculate the appropriate floor areas for buildings in accordance with the RICS Property Measurement Professional Standard. These measurements will either be wholly taken by us during our inspection or from scaled drawings provided to us and checked by sample measurements on site. The floor areas will be within a tolerance that is appropriate having regard to the circumstances and purpose of the valuation instruction.
- 8.2 Where required, any site areas will be calculated from our understanding of the boundaries using digital mapping technology, subject to clause 1.3 above.
- 9. Investment properties**
- 9.1 Where the Property valued is subject to a tenancy or tenancies, we will have regard to the market's likely perception of the financial status and reliability of tenants in arriving at our valuation. We will not undertake detailed investigations into the financial standing of any tenant. Unless advised by you to the contrary our Valuation will be make the Assumption that there are no material rent arrears or breaches of other lease obligations.
- 10. Development properties**
- 10.1 If we are instructed to value Property for which development, redevelopment or substantial refurbishment is proposed or in progress, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We shall be entitled to rely on such information in preparing our valuation. If a professional estimate of build costs is not made available, we will rely on published build cost data but this must be recognised as being less reliable as it cannot account for variations in site conditions and design. This is particularly true for refurbishment work or energy efficiency and environmental upgrades. In the absence of a professionally produced cost estimate for the specific project we may need to qualify our report and the reliance that can be placed on our valuation.
- 10.2 For Property in the course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the

date of valuation. We will have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

11. VAT, taxation and costs

11.1 The reported valuation will be our estimate of the price that would be agreed with no adjustment made for costs that would be incurred by the parties in any transaction, including any liability for VAT, stamp duty or other taxes. It is also gross of any mortgage or similar financial encumbrance.

12. Property insurance

12.1 Except to the limited extent provided in clause 3 and clause 4 above we do not investigate or comment on how potential risks would be viewed by the insurance market. Our Valuation will be on the Assumption that each Property would, in all respects, be insurable against all usual risks including fire, terrorism, ground instability, extreme weather events, flooding and rising water table at normal, commercially acceptable premiums.

13. Reinstatement cost estimates

13.1 We can only accept a request to provide a building reinstatement cost estimate for insurance purposes alongside our Valuation of the Property interest on the following conditions:

- (q) the assessment provided is indicative, without liability and only for comparison with the current sum insured, and
- (r) The building is not specialised or listed as being of architectural or historic importance.

13.2 Otherwise we can provide an assessment of the rebuilding cost by our specialist building surveyors as a separate service.

14. Legal advice

14.1 We are appointed to provide valuation opinion(s) in accordance with our professional duties as valuation surveyors. The scope of our service is limited accordingly. We are not qualified legal practitioners and we do not provide legal advice. If we indicate what we consider the effect of any provision in the Property's title documents, leases or other legal requirements may have on value, we strongly recommend that this be reviewed by a qualified lawyer before you take any action relying on our valuation.

15. Loan security

15.1 If we are requested to comment on the suitability of the Property as a loan security we are only able to comment on any risk to the reported value that is inherent in either its physical attributes or the interest valued. We will not comment on the degree and adequacy of capital and income cover for an existing or proposed loan or on the borrower's ability to service payments.

Part B – Colliers Valuation Report (NewRiver Portfolio)



Accelerating success.

Valuation Report

Project Gold-Portfolio of 21 Properties

Valuation as at 30th June 2024

Prepared For: NewRiver REIT plc

Prepared by: Colliers International Property Consultants Limited

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OUR REF REPORT

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24th September 2024

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Dear Sirs,

The Client: NewRiver REIT Plc
The Portfolio: 21 Properties Within The 'NewRiver REIT' Portfolio
Date Of Valuation: 30th June 2024

Introduction

Colliers International Property Consultants Limited (hereafter referred to as either "**Colliers**" or "**we**") have been instructed by NewRiver REIT Plc (hereafter referred to as either the "**Company**" or "**you**") to provide an indication of value for 21 properties held within the 'NewRiver REIT' portfolio (the "**Properties**") as at 30th June 2024 (the "**Valuation Date**") (the "**Valuation**").

Purpose of Valuation

This valuation report (the "**Valuation Report**") is provided for the purpose of:

- a) inclusion in an announcement proposed to be made by the Company under Rule 2.4 of the City Code on Takeovers and Mergers as issued by the UK Panel on Takeovers and Mergers (the "**Code**") in connection with the proposed acquisition by the Offeror of the entire issued share capital of the Offeree (the "**Transaction**") (the "**Rule 2.4 Announcement**"). For this purpose, the Report will be dated with the same date as the Rule 2.4 Announcement;
- b) inclusion in an announcement proposed to be made by the Company and/or the Offeree under Rule 2.7 of the Code in connection with the Transaction (the "**Rule 2.7 Announcement**"). For this purpose, the Report will be dated with the same date as the Rule 2.7 Announcement;
- c) inclusion in a scheme circular to be published by the Offeree in connection with the Transaction effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme Document**"). For this purpose, the Report will be dated with the same date as the Scheme Document;
- d) in the event that the Transaction is to be effected by way of a takeover offer under Part 28 of the Companies Act 2006, inclusion in an offer document to be published by the Company in connection with the Transaction (the "**Offer Document**"). For this purpose, the Report will be dated with the same date as the Offer Document;
- e) inclusion in a combined circular and prospectus to be published by the Company in connection with the Transaction and the issue and allotment of new shares in the capital of the Company, amongst other things, pursuant to the terms of the Transaction (the "**Prospectus**"). For this purpose, the Report will be dated with the same date as the Prospectus;

- f) inclusion and/or reference to it in any other announcements, documents and/or supplementary documents required to be released by the Company and/or the Offeree which directly relate to the Transaction (each a “**Code Document**”); and
- g) publication on the Offeror's website and/or the Offeree's website in accordance with the requirements of Rule 26.3 of the Code and the UK Prospectus Regulation Rules,

(together, the “Purpose”).

Therefore, in accordance with PS 2.5 of the Red Book (as defined below) and UK VPS 3 we have made certain disclosures in connection with this Valuation instruction and our relationship with you. These are included below.

For the purposes of this Valuation Report, “Prospectus Regulation Rules” means the prospectus regulation rules made by the FCA for the purposes of part 6 of the Financial Services and Markets Act 2000, as amended.

Valuation Standards

This Valuation Report has been prepared for a Regulated Purpose as defined in accordance with the RICS Valuation – Global Standards (2022), which incorporates the International Valuation Standards, and the RICS UK National Supplement (2018), in each case current as at the Valuation Date (the “**Red Book**”). The Valuation has been undertaken in accordance with and complies with (i) Rule 29 of the **Code**; (ii) the FCA's Primary Market Technical Note 619.1; (iii) the UK Listing Rules; and (iv) the UK Prospectus Regulation Rules (and in particular Rule 5.4.5G) published by the FCA. This Valuation Report is an unqualified valuation report prepared in accordance with the requirements of Rule 29 of the **Code** by a valuer who has had access to sufficient information to prepare it.

We confirm that Colliers complies with the competency and objectivity guidelines under PS 2 of the Red Book and that we have undertaken the Valuation acting as ‘external valuers’ qualified for the purposes of this Valuation.

In order to comply with these Valuation Standards, our files may be subject to monitoring by the RICS.

Basis of Valuation

The basis of value (as required by the **Code**) is “Market Value”, as defined in International Valuation Standards 104, Paragraph 30.1 (and the Red Book):

‘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.’

This is also set out in the General Assumptions and Definitions contained in Appendix 1 attached to this Valuation Report.

Our Valuation has been undertaken using appropriate valuation methodology and our professional judgment.

The Valuers' (as defined below) opinion of Market Value was primarily derived using recent comparable market transactions on arm's length terms, where available, and appropriate valuation techniques (The Investment Method).

Date of Valuation

30th June 2024.

Status of Valuer and Conflicts of Interest

Colliers has been instructed as External Valuer, as defined in accordance with the Red Book.

This Valuation has been prepared under the supervision of Richard Barrett BSc MRICS and Sara Duncan FRICS MRTPI (the "**Valuers**"). We confirm that the Valuers (and any additional valuers who may have undertaken parts of the Valuation) collectively (i) fall within the requirements as to competence as set out in PS2 of the Red Book and are registered in accordance with the RICS Valuer Registration Scheme ("**VRS**") and that they are (a) appropriately qualified; and (b) meet the requirements of the Red Book, having sufficient current local and national knowledge of the property market involved and the skills and understanding to undertake the Valuation and prepare the Valuation Report competently; and (ii) meet the requirements of Rule 29.3(a)(iii) of the Code in having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation and prepare this Valuation Report competently and, are appropriately qualified for the purposes of the Valuation as required by Rule 29.3(a)(ii) of the Code, and are independent of the parties to the offer which is the subject of the Transaction as required by Rule 29.3(a)(i) of the Code. We further confirm that we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code.

As fully disclosed to you previously, and as set out in our terms of engagement (the "**Engagement**"), we confirm that Colliers have current, anticipated and previous recent involvement with the Properties as follows:-

We have valued the Portfolio for accounting purposes since 2009.

We do not consider that this involvement represents a conflict of interest and the Addressees have confirmed to us that they also consider this to be the case. You have confirmed that all parties subject to the 'Purpose of Valuation' have provided their Informed Consent to proceed with this instruction.

The total fees, including the fee for this assignment, earned by Colliers (or other companies forming part of the same group of companies within the UK) from the Company (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues for the financial year ending 31 December 2023.

We confirm that we comply with the requirements of independence and objectivity under PS2 of the Red Book and have no conflict of interest in respect of the Company or Properties to the best of our knowledge.

The Properties

The Properties comprise a portfolio of 21 properties (brief details of which are set out in Appendix 2 to this report), located within towns and cities throughout the United Kingdom.

The Properties are generally held as investments although there are parts of some Properties which are vacant and non-income producing.

Assumptions, Extent of Investigations and Sources of Information

We have assumed that the information supplied to us by the Company and their professional advisers, in respect of all material pertaining to the Properties, is both complete, accurate and up to date. It follows that we have made an assumption that details of all matters likely to affect value have been provided to us. We have not independently verified the information provided.

We have relied upon this information in preparing this Report and our Valuation and do not accept responsibility or liability for any errors or omissions in that information or documentation provided to us, nor for any consequences arising. Colliers also accepts no responsibility for subsequent changes in the information that we have not been made aware of.

Furthermore, we have assumed any information supplied can, if necessary, be verified. Should any of the information provided be found to be inaccurate or incomplete there could be a variation in value.

We have not inspected the title deeds and apart from those disclosed to us, we have assumed that all the Properties are free from outgoings and that there are no unusual, onerous or restrictive covenants in the titles or leases which would affect the values. Similarly, we have not reviewed leases.

Our Valuation is prepared on the basis that the Properties have good and marketable titles and are free of any undisclosed onerous burdens, outgoings or restrictions.

Our General Assumptions and Definitions are contained within Appendix 1 attached to this Report.

Property Inspections & Measurements

All of the Properties were inspected close to the date of their acquisition by suitably qualified surveyors and continue to be inspected, at least tri-annually, on a rolling programme. We have not been instructed to reinspect the Properties as part of this instruction and have therefore

made the assumption that there have been no material changes to the Properties or immediate surroundings since our last inspection. Where there have been material changes to the Properties, we have had regard to the information provided to us by the Company. We have then reflected this in the Valuation.

As instructed, we have not measured any of the Properties and have relied on areas provided by the Company.

We have assumed that the measurements and areas are correct and have been assessed and calculated in accordance with professional statement 'RICS Property Measurement, 2nd edition' (2018)' and with reference to the RICS guidance note, Code of Measuring Practice, 6th edition (2015).

Tenure

We understand that the Properties are generally of freehold, or heritable, tenure in respect of the Scottish Properties. We also understand that the Properties are free from rent charge or any other outgoings and we have assumed that there are no unusual, onerous or restrictive covenants in the title which are likely to affect the Property adversely.

A number of the Properties are, however, of leasehold or part leasehold tenure. In these cases, we have assumed that there are no unduly onerous covenants within the leases.

We have generally been provided with copies of reports on title or reports on the head leases, which were prepared on your behalf by your solicitors at the time of acquisition although for some Properties we have relied upon summary information provided by your representatives. For the purposes of our Valuation, we have relied upon the information as to tenure and the like which is set out within this Report.

Valuation Approach

We have approached our Valuation on the basis of assessing each of the Properties individually, and not as part of a portfolio, having regard to what we believe each of the Properties would achieve should it be brought to the market in isolation at the date of valuation. Our Valuation makes no allowance for the disposal of the Portfolio in its entirety as a single transaction, or as a series of smaller portfolio lots. Our Valuation additionally makes no allowance for any effect on values should all of the Properties be offered to market at the same time.

Valuation Summary

We are of the opinion that the aggregate Market Value as at the Valuation Date of the Properties subject to the existing lettings, or otherwise with vacant possession, was: _

£228,445,000

(Two Hundred and Twenty-Eight Million Four Hundred and Forty-Five Thousand Pounds)

The aforementioned valuation figure represents the aggregate of the individual valuations of each Property and should not be regarded as the value of all the Properties in the context of the sale of the single lot.

There are no negative values to report.

The effective date of Company's most recent published annual or consolidated accounts was 31st March 2024. The equivalent figure reported by the Company as at 31st March 2024 was 1.09% higher than the Valuation reported herein. For the purposes of paragraph 130(vi) of the FCA Technical Note, we consider that the difference between the Valuation and the equivalent figure reported in the Company's latest published annual or consolidated accounts for 31st March 2024 to be as a result of the occupational changes, capital expenditure and market movements.

We set out in the table below details of the values of the freehold, mixed and Leasehold assets respectively:-

Tenure	Market Value
Freehold/Heritable	£90,685,000
Leasehold	£136,560,000
Mixed Freehold and Leasehold	£1,200,000
Aggregate	£228,445,000

Material Changes since the Valuation Date

We hereby confirm that, as at the date of this Valuation Report, there has been no material change since 30th June 2024 in any matter relating to the Properties which, in our opinion, would have a material effect on the Market Value of such Properties. For the purposes of Rule 29.5 of the Code, we confirm that an updated valuation dated the date of this Valuation Report would not be materially different from that presented in this Valuation Report as at the Valuation Date.

We are not aware, as a result of our role as Valuers of the Properties of any matter which would materially affect the Market Value of the Properties which is not disclosed in this Valuation Report (subject to the assumptions set out in this Valuation Report) and we are not aware of any matter in relation to this Valuation Report that we believe should be and has not yet been brought to the attention of the Addressees.

Reliance, Confidentiality and Disclosure and Consent

This Valuation Report has been prepared for inclusion in the Prospectus at the Company's request.

Colliers International Property Consultants Limited has given and not withdrawn its consent to the inclusion of this Valuation Report in the Rule 2.4 Announcement, the Rule 2.7 Announcement, the Scheme Document and in the Prospectus published by the Company and/or the Offeree in the form and context in which it is included. Colliers International Property Consultants Limited has given and not withdrawn its consent to the inclusion of its name and references to it in the Rule 2.4 Announcement, the Rule 2.7 Announcement, the Scheme Document and in the Prospectus published by the Company and/or the Offeree in the form and context in which they appear.

Colliers International Property Consultants Limited consents to the inclusion of the Valuation and this Valuation Report and any extracts or references thereto in the Prospectus and the reference to our name in the form and context in which they are included in the Prospectus.

Colliers International Property Consultants Limited has given and not withdrawn its consent to the inclusion of this Valuation Report in any further announcement(s) to be published or made available by the Company or the Offeree (as applicable) relating to the Transaction and/or the Capital Raising and Admission, and to the references to this Valuation Report and Colliers International Property Consultants Limited in the form and context in which they appear.

This Report and Valuation is addressed to the Addressees for the Purpose and is for the use of and may be relied upon by the Addressees and shareholders of the Company and of the Offeree for the Purpose. Save in respect of the Addressees, shareholders of the Company and of the Offeree: and any responsibility arising under the Code to any person as and to the extent there be provided, to the fullest extent permitted by applicable law and regulation (including, without limitation, the Listing Rules and the Prospectus Regulation Rules), we do not assume any responsibility and will not accept any liability to any third party for any loss suffered by any such third party as a result of, or arising out of, or in accordance with this Report and the Valuation.

Nothing in this Valuation Report shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or negligence of those for whom we are responsible, or for any other liability to the extent that such liability may not be excluded or limited as a matter of applicable law.

Notwithstanding the foregoing, in accordance with the Engagement and for the purposes of the Code and Prospectus Regulation Rule 5.3.2(R)(2)(f), to the best of our knowledge, the information contained in those parts of the prospectus for which we are responsible is in accordance with the facts and that those parts of the prospectus make no omission likely to affect their import.

This Valuation Report complies with, and is prepared in accordance with, and on the basis of, Rule 29 of the Code and we understand that the publication or reproduction by the Offeror or the Offeree of this Valuation Report and/or the information contained herein as required by

Rules 26 and 29 of the Code is necessary, including in the Rule 2.4 Announcement, the Rule 2.7 Announcement, the Scheme Document and any Code Document.

This Valuation Report complies with, and is prepared in accordance with, (i) the Prospectus Regulation Rules issued by the FCA, particularly Prospectus Regulation Rule 5.4.5G; (ii) section III.1. Property Companies within the guidance set out in the FCA's Primary Market Technical Note 619.1; and (iii) the requirements of the Listing Rules of the FCA for a property valuation report.

Except for any responsibility arising under the Code and Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent provided under the Code and Prospectus Regulation 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 Valuation Report or our statement set out above required by and given solely for the purposes of complying with the Code and Annex 3, item 1.2 of the UK version of Commission Delegated Regulation (EU) 2019/980.

For the avoidance of doubt, this Report and Valuation is provided by Colliers International Property Consultants Limited and no partner, member or employee assumes any personal responsibility for it nor shall owe a duty of care in respect of it.

Yours faithfully,

R D Barrett BSc MRICS
Director
RICS Registered Valuer
For Colliers International Property
Consultants Limited

S Duncan FRICS MRTPI
Director
RICS Registered Valuer
For Colliers International Property
Consultants Limited

Appendix 1:

General Assumptions and Definitions

General Assumptions and Definitions

Unless otherwise instructed, our valuations are carried out in accordance with the following assumptions, conditions and definitions. These form an integral part of our appointment.

Our Report and Valuation is provided in accordance with the current edition of the RICS Valuation – Global Standards (Incorporating the IVSC International Valuation Standards) prepared by the Royal Institution of Chartered Surveyors (the “Red Book”), and with any agreed instructions. Any opinions of value are valid only at the valuation date and may not be achievable in the event of a future disposal or default, when both market conditions and the sale circumstances may be different.

Within the Report and Valuation, we make assumptions in relation to facts, conditions or situations that form part of the valuation. We assume that all information provided by the addressee of the report, any borrower or third party (as appropriate) in respect of the property is complete and correct. We assume that details of all matters relevant to value, such as prospective lettings, rent reviews, legislation and planning decisions, have been made available to us, and that such information is up to date. In the event that any of these assumptions prove to be incorrect then we reserve the right to review our opinion(s) of value.

Valuation Definitions:

Market Value is defined in IVS 104 paragraph 30.1 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 interpretative commentary on Market Value, within the International Valuation Standards (IVS), has been applied.

Valuations produced for capital gains tax, inheritance tax and Stamp Duty Land Tax / Land and Buildings Transaction Tax purposes will be based on the statutory definitions, which are written in similar terms and broadly define Market Value as:

‘The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time.’

Market Rent is defined in IVS 104 paragraph 40.1 as:

‘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.’

The appropriate lease terms will normally reflect current practice in the market in which the property is situated, although for certain purposes unusual terms may need to be stipulated. Unless stated otherwise within the report, our valuations have been based upon the assumption that the rent is to be assessed upon the premises as existing at the date of our inspection.

Investment Value or ‘Worth’, is defined in IVS 104 paragraph 60.1 as:

‘the value of an asset to a particular owner or prospective owner for individual investment or operational objectives.’

This is an entity-specific basis of value and reflects the circumstances and financial objectives of the entity for which the valuation is being produced. Investment value reflects the benefits received by an entity from holding the asset and does not necessarily involve a hypothetical exchange.

Fair Value is defined according to one of the definitions below, as applicable to the instructions.

Fair Value - International Accounting Standards Board (IASB) in IFRS 13.

'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'

Fair Value - UK Generally Accepted Accounting Principles (UK GAAP) adopts the FRS 102 definition:

"The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction."

Existing Use Value is defined in UKVS 1.3 of the Red Book:

'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 wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.'

Special Assumptions

Where we are instructed to undertake valuations subject to a Special Assumption, these usually require certain assumptions to be made about a potential alternative use or status of the property. This is a hypothetical scenario that we consider realistic, relevant and valid as at the valuation date, but which may not necessarily be deliverable at a future date.

Reinstatement / Replacement Cost Assessment And Insurance

If we provide a reinstatement cost assessment, we do not undertake a detailed cost appraisal and the figure is provided for guidance purposes only. It is not a valuation in accordance with the Red Book and is provided without liability. It must not be relied upon as the basis from which to obtain building insurance.

In arriving at our valuation we assume that the building is capable of being insured by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on costs.

Purchase and Sale Costs, SDLT, LBTT and Taxation

No allowance is made for legal fees or any other costs or expenses which would be incurred on the sale of the property. However, where appropriate, and in accordance with market practice for the asset type, we make deductions to reflect purchasers' acquisition costs. Trade-related properties are usually valued without deducting the costs of purchase. Where appropriate, purchasers' costs are calculated based on professional fees inclusive of VAT, together with the appropriate level of Stamp Duty Land Tax (SDLT) / Land and Buildings Transaction Tax (LBTT) / Land Transaction Tax (LTT).

Whilst we have regard to the general effects of taxation on market value, we do not take into account any liability for tax that may arise on a disposal, whether actual or notional, neither do we make any deduction for Capital Gains Tax, VAT or any other tax. We make no allowance for receipt or repayment of any grants or other funding.

Plans, Floor Areas and Measurements

Where a site plan is provided, this is for indicative purposes only and should not be relied upon. Site areas are obtained from third party sources, including electronic databases, and we are unable to warrant their accuracy. Our assumptions as to site boundaries / demise should be verified by your legal advisers. If any questions of doubt arise the matter should be raised with us so that we may review our valuation.

We obtain floor areas in accordance with our instructions. This may comprise one or more of the following approaches (i) we measure the floor areas during the property inspection (ii) we calculate floor areas from plans provided to us, supported by check measurements on site where possible, (iii) we rely upon floor areas provided. Under approaches (ii) and (iii), we wholly rely upon the information provided, and assume that the areas have been calculated in accordance with market standards. We are unable to provide any warranties as to accuracy.

Measurement is in accordance with the current edition of RICS Property Measurement. If we are instructed not to adopt International Property Measurement Standards (IPMS), measurements are provided in accordance with the latest version of the Code of Measuring Practice. We adopt the appropriate floor area basis for our valuation analysis to reflect the analysis of floor areas in the comparable transactions. Where the basis of analysis of a comparable is uncertain, we adopt a default assumption for that asset type.

Although every reasonable care is taken to ensure the accuracy of the surveys there may be occasions when due to tenant's fittings, or due to restricted access, professional estimations are required. We recommend that where possible, we are provided with scaled floor plans in order to cross-reference the measurements. In the event that a specialist measuring exercise is undertaken for the property, we recommend that a copy is forwarded to us in order that we may comment on whether there may be an impact on the reported value. Floor areas set out in our report are provided for the purpose described in the Report and Valuation and are not to be used or relied upon for any other purpose.

Condition, Structure and Services, Harmful / Deleterious Materials, Health & Safety Legislation and EPCs

Our Report and Valuation takes account of the general condition of the property as observed from the valuation inspection, and is subject to access. Where we have noticed items of disrepair during the course of our inspections, they are reflected in our valuations, unless otherwise stated.

We do not undertake any form of technical, building or deleterious material survey and it is a condition of our appointment that we will in no way review, or give warranties as to, the condition of the structure, foundations, soil and services. Unless we are supplied with evidence to the contrary, we assume that the property is fully in compliance with building regulations and is fully insurable. We assume it is free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects. We assume that none of the materials commonly considered deleterious or harmful are included within the property, such as, inter alia, asbestos, high alumina cement concrete, reinforced autoclaved aerated concrete (RAAC), calcium chloride as a drying agent, wood wool slabs as permanent shuttering, aluminium composite cladding material, polystyrene and polyurethane cladding insulation.

In the event that asbestos is identified in a property, we do not carry out an asbestos inspection, nor are we able to pass comment on the adequacy of any asbestos registers or management plans. Where relevant, we assume that the property is being managed in full compliance with the Control of Asbestos Regulations 2012 and relevant HSE regulations, and that there is no requirement for immediate expenditure, nor any risk to health.

We do not test any services, drainage or service installations. We assume that all services, including gas, water, electricity and sewerage, are provided and are functioning satisfactorily.

We assume that the property has an economic life span similar to comparable properties in the market, subject to regular maintenance and repairs in accordance with appropriate asset management strategies.

We comment on the findings of Energy Performance Certificates (EPCs) and Display Energy Certificates (DECs) if they are made available to us but may be unable to quantify any impact on value. If we are not provided with an EPC, we assume that if one was available, its rating would not have had a detrimental impact upon our opinion value or marketability.

Our valuations do not take account of any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act, 1972. Unless advised to the contrary, we assume that the properties comply with, and will continue to comply with, the current Health & Safety and Disability legislation.

We do not test any alarms or installations and assume that the property complies with, and will continue to comply with, fire regulations and the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 legislation. Where a specialist condition or structural survey is provided to us, we reflect the contents of the report in our valuation to the extent that we are able to as valuation surveyors, and our assumptions should be verified by the originating consultant. Should any issues subsequently be identified, we reserve the right to review our opinion of value.

Ground Conditions, Environmental Matters, Constraints and Flooding

We are not chartered environmental surveyors and we will not provide a formal environmental assessment. Our investigations are therefore limited to observations of fact, obtained from third party sources, such as local authorities, the Environment Agency and professional reports that may be commissioned for the valuation.

We do not carry out any soil, geological or other tests or surveys in order to ascertain the site conditions or other environmental conditions of the property. Unless stated to the contrary within the report, our valuation assumes that there are no unusual features that may be harmful to people or property, or that would inhibit the actual or assumed use or development of the property. This includes, inter alia: ground conditions and load bearing qualities, subterranean structures or services, contamination, pollutants, mining activity, sink holes, archaeological remains, radon gas, electromagnetic fields and power lines, invasive plants and protected species.

We do not undertake any investigations into flooding, other than is available from public sources or professional reports provided to us. Our findings are outlined in the report for information only, without reliance or warranty. We assume in our valuation that appropriate insurance is in place and may be renewed to any owner of the property by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on value.

Should our enquiries or any reports indicate the existence of environmental issues or other matters as described above, we expect them to contain appropriate actions and costings to address the issue. We rely

on this information and use it as an assumption in our valuation. If such information is not available, we may not be able to provide an opinion of value.

We assume that the information and opinions we are given in order to prepare our valuation are complete and correct and that further investigations would not reveal more information sufficient to affect value. However, a purchaser in the market may undertake further investigations, and if these were unexpectedly to reveal issues, then this might reduce the values reported. We recommend that appropriately qualified and experienced specialists are instructed to review our report and revert to us if our assumptions are incorrect.

Plant And Machinery, Fixtures and Fittings

We disregard the value of all process related plant, machinery, fixtures and fittings, and those items which are in the nature of occupiers' trade fittings and equipment. We have regard to landlords' fixtures such as lifts, escalators, central heating and air conditioning forming an integral part of the buildings.

Where properties are valued as an operational entity and includes the fixtures and fittings, it is assumed that these are not subject to any hire purchase or lease agreements or any other claim on title.

No equipment or fixtures and fittings are tested in respect of Electrical Equipment Regulations and Gas Safety Regulations and we assume that where appropriate all such equipment meets the necessary legislation. Unless otherwise specifically mentioned the valuation excludes any value attributable to plant and machinery.

Operational Entities

Where the properties are valued as an operational entity and reference is made to the trading history or trading potential of the property, we place reliance on information supplied to us. Should this information subsequently prove to be inaccurate or unreliable, the valuations reported could be adversely affected. Our valuations do not make any allowance for goodwill.

Title, Tenure, Occupational Agreements and Covenants

Unless otherwise stated, we do not inspect the Land Registry records, title deeds, leases or related legal documents and, unless otherwise disclosed to us, we assume good and marketable title that is free from onerous or restrictive covenants, rights of way and easements, and any other encumbrances or outgoing charges that may affect value. We disregard any mortgages (including regulated mortgages), debentures or other charges to which the property may be subject.

We assume that any ground rents, service charges other contributions are fair and proportionate, and are not subject to onerous increases or reviews.

Where we have not been supplied with leases, unless we have been advised to the contrary, we assume that all the leases are on a full repairing and insuring basis and that all rents are reviewed in an upwards direction only, at the intervals notified to us, to market rent. We assume that no questions of doubt arise as to the interpretation of the provisions within the leases giving effect to the rent reviews. We assume that wherever rent reviews or lease renewals are pending, all notices have been served validly within the appropriate time limits, and they will be settled according to the assumptions we set out within the reports.

Unless informed otherwise, we assume that all rents and other payments payable by virtue of the leases have been paid to date and there are no arrears of rent, service charge or other breaches in the obligations of occupation.

In the case of property that is let, our opinion of value is based on our assessment of the investment market's perception of the covenant strength of the occupier(s). This is arrived at in our capacity as valuation surveyors on the basis of information that is publicly available. We are not accountants or credit experts and we do not undertake a detailed investigation into the financial status of the tenants. 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 creditworthiness. We provide no warranties as to covenant strength and recommend that you make your own detailed enquiries if your conclusions differ from our own. Where we are provided with a report on title and/or occupational agreement, we form our opinion of value reflecting our interpretation of that title. Your legal advisers should review our understanding of the title and confirm that this is correct.

Planning, Licensing, Rating and Statutory Enquiries

We undertake online planning enquiries to the extent that we consider reasonable and appropriate to the valuation. We do not make formal verbal or written enquiries to local authorities. If a professional planning report is provided to us, we will take the findings into account in our valuation but will not be accountable for the advice provided within it, nor any errors of interpretation or fact within the third party report.

We assume that the property is constructed, used and occupied in full compliance with the relevant planning and building regulation approvals and that there are no outstanding notices, conditions, breaches, contraventions, non-compliance, appeals, challenges or judicial review. We assume that all consents, licenses and permissions are in place, that there are no outstanding works or conditions required by lessors or statutory, local or other competent authorities, and that no adverse planning conditions or restrictions apply. If we are instructed to value property on the Special Assumption of having the benefit of a defined planning permission or license, we assume that it will not be appealed or challenged at any point prior to, or following, implementation.

Our investigations are limited to identifying material planning applications on the property and observable constraints. We seek to identify any proposals in the immediate vicinity that may have an impact on the property, such as highway proposals, comprehensive development schemes and other planning matters. We seek to obtain rateable values and council tax banding from the statutory databases, where available. The 2023 rating revaluation has resulted in some increases in rateable values in specific sectors. This may have an impact on the marketability and value of a property, and on vacancy rates or landlord non recoverable costs. However, unless there is evidence to the contrary, we will make the express assumption that any changes are affordable to occupiers, or will be subject to appropriate transitional relief. We do not reflect the impact of any rating appeals in our valuations unless they are formally concluded. Given that statutory information is obtained from third party sources, we are unable to provide any warranty or reliance as to its accuracy. Your legal advisers should verify our assumptions and revert to us if required.

Valuations Assuming Development, Refurbishment or Repositioning

Unless specifically instructed to the contrary, where we are provided with development costs and construction schedules by the addressee, a borrower or an independent quantity surveyor, we rely on this information as an assumption in arriving at our opinion of value. It forms an assumption within our valuation and we accept no liability if the actual costs or programme differ from those assumed at the valuation date.

We are not quantity surveyors and provide no reliance as to construction costs or timescale. Irrespective of the source of this information, a professional quantity surveyor should review our assumptions and revert to us if there are any issues of doubt, so that we may review our opinion of value.

We additionally assume that a hypothetical market purchaser will have the necessary resources, skills and experience to deliver the proposed development. It is not within our scope to assess the credentials of any actual purchaser, owner or developer of the property that is subject to our valuation. We accept no liability for any circumstances where a development or refurbishment does not achieve our concluded values.

If a property is in the course of development, our valuation assumes that the interest will be readily assignable to a market purchaser with all contractor and professional team warranties in place. Where an opinion of the completed development value is required, we assume that all works are completed in accordance with appropriate statutory and industry standards and are institutionally acceptable.

Alternative Investment Funds

In the event that our appointment is from an entity to which the European Parliament and Council Directive 2011/61/EU ('the AIFMD'), which relates to Alternative Investment Fund Managers ('AIFM'), applies, our instructions are solely limited to providing recommendations on the value of particular property assets (subject to the assumptions set out in our valuation report) and we are therefore not determining the net asset value of either the Fund or the individual properties within the Fund. Accordingly, we are not acting as an 'external valuer' (as defined under the AIFMD) but are providing our service in the capacity of a 'valuation advisor' to the AIFM.

Interpretation and Comprehension of The Report and Valuation

Real estate is a complex asset class that carries risk. Any addressee to whom we have permitted reliance on our Report and Valuation should have sufficient understanding to fully review and comprehend its contents and conclusions. We strongly recommend that any queries are raised with us within a reasonable period of receiving our Report and Valuation, so that we may satisfactorily address them.

Appendix 2:

List of Property Addresses

Property Address
4 London Mall, 1 Station Mall, Basingstoke
Bexleyheath Shopping Centre, Bexleyheath
Broadway Square, Bexleyheath
Sovereign Centre, Boscombe
The Promenades, Bridlington
Capitol Shopping Centre, Cardiff
Merlin's Walk, Carmarthen
14/17 Frenchgate, Doncaster
Freshney Place Shopping Centre, Grimsby
39 The Broadwalk, Harlow
Unit 47, 5 Trinity Square, Hereford
Burns Mall, Kilmarnock
Newkirkgate Shopping Centre, Leith
The Deeping Centre, Market Deeping
The Hill Street Centre, Middlesbrough
Gloucester Green, Oxford
The Paisley Centre, Paisley
The Hildreds Shopping Centre, Skegness
Three Horseshoes Shopping Centre, Warminster
The Horsefair Shopping Centre, Wisbech
Newlands Shopping Centre, Witham



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Part C – Knight Frank Valuation Report (Capital & Regional Portfolio)

Valuation Report

NewRiver REIT plc
Valuation date: 30 June 2024

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a responsibility, a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

NewRiver REIT plc
89 Whitfield Street
London
W1T 4DE (hereinafter referred to as the “**Client**” and the “**Offeror**”)

Jefferies International Limited (acting as lead financial adviser and joint corporate broker to the Client)
100 Bishopsgate
London
EC2N 4JL (hereinafter referred to as the “**Offeror Financial Adviser**”)

Panmure Liberum Limited (acting as sole sponsor and joint corporate broker to the Client)
Ropemaker Place
Level 12
25 Ropemaker Street
London
EC2Y 9LY (hereinafter referred to as the “**Offeror Sponsor**”)

Kinmont Limited (acting as joint financial adviser to the Client)
5 Clifford Street
London
W1S 2LG

Shore Capital Stockbrokers Limited (acting as joint corporate broker to the Client)
Cassini House
57 St James’s Street
London
SW1A 1LD

(together, hereinafter referred to as the “**Offeror Addressees**”)

Capital & Regional plc
Strand Bridge House
138-142 Strand
London
WC2R 1HH (hereinafter referred to the “**Offeree**”)

Numis Securities Limited (trading as Deutsche Numis) (acting as joint financial adviser and joint corporate broker to Offeree)
45 Gresham Street
London
EC2V 7BF

Stifel Nicolaus Europe Limited (acting as joint financial adviser and joint corporate broker to Offeree)
4th Floor
150 Cheapside
London
EC2V 6ET

(together, hereinafter referred to as the “**Offeree Joint Financial Advisers**”)

or tap here to enter
text.

(each an "Addressee" and together the "Addressees")

Our Ref: 1148765
Date of issue: 24 September 2024

Dear Sir/Madam

Valuation Report in respect of the properties of Capital & Regional plc as at 30 June 2024 for inclusion in a Rule 2.4 Announcement, Rule 2.7 Announcement, Scheme Document and Prospectus ("Valuation Report")

Further to your instructions, we are pleased to provide our Valuation Report in respect of the freehold, heritable or leasehold interests in the properties ("**Properties**") set out in Appendix 1 (Schedule of Properties) below in connection with inclusion in a Rule 2.4 Announcement, Rule 2.7 Announcement, Scheme Document to be published by the Offeree and a Prospectus to be published by the Offeror, in connection with a possible acquisition of the entire issued, and to be issued, share capital of the Offeree by the Offeror (the "**Transaction**").

Signed for and on behalf of Knight Frank LLP

Signature.

Ben Nicholson MRICS
RICS Registered Valuer
Partner, Valuation & Advisory
ben.nicholson@knightfrank.com
T +44 20 7590 2468
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Knight Frank is the trading name of Knight Frank LLP. Knight Frank LLP is a limited liability partnership registered in England and Wales with registered number OC305934. Our registered office is at 55 Baker Street, London W1U 8AN where you may look at a list of members' names. If we use the term 'partner' when referring to one of our representatives, that person will either be a member, employee, worker or consultant of Knight Frank LLP and not a partner in a partnership.

1. About this report

Engagement of Knight Frank LLP

- 1.1 This Valuation Report sets out our valuation, as at 30 June 2024 ("**Valuation Date**"), of the Properties ("**Valuation**"). This Valuation Report has been prepared in accordance with our Terms of Engagement letter dated 13 September 2024 addressed to the Addressees, and our General Terms of Business for Valuation Services (together the "**Agreement**").

Client

- 1.2 We have been instructed to prepare this Valuation Report by NewRiver REIT plc. However as set out above, this Valuation Report has also been addressed to other Addressees.

Valuation standards

- 1.3 The Valuation has been undertaken in accordance with and complies with: (a) the current editions of RICS Valuation – Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. References to the "**Red Book**" refer to either or both of these documents, as applicable; (b) Rule 29 of the City Code on Takeovers and Mergers (the "**Code**") as issued by the UK Panel on Takeovers and Mergers; (c) paragraphs 128-130 of the Financial Conduct Authority ("**FCA**") Primary Market Technical Note 619.1 (the "**FCA Technical Note**"); and (d) Rules 5.4.5 and 5.4.6 of the UK Prospectus Regulation Rules published by the FCA. This Valuation Report is an unqualified valuation report prepared in accordance with the requirements of Rule 29 of the Code by a valuer who has had access to sufficient information to prepare it.
- 1.4 The Properties have been valued by a valuer who is qualified for the purposes of the Valuation in accordance with Rule 29 of the Code. For the purposes of this Valuation Report, "**UK Prospectus Regulation Rules**" shall mean the prospectus regulation rules made by the FCA for the purposes of part 6 of the Financial Services and Markets Act 2000, as amended.

Status and experience of valuer

Valuer and expertise

- 1.5 The valuer, on behalf of Knight Frank LLP, with the responsibility for this Valuation Report is Ben Nicholson MRICS, RICS Registered Valuer ("Responsible Valuer"). Parts of the Valuation have been undertaken by additional valuers as listed on our file.
- 1.6 We confirm that the Responsible Valuer and any additional valuers who value the Properties meet the requirements of the Red Book and Rule 29.3(a)(iii) of the Code in having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation and prepare this Valuation Report competently and are appropriately qualified for the purposes of the Valuation as required by Rule 29.3(a)(ii) of the Code and are independent of the parties to the offer as required by Rule 29.3(a)(i) of the Code.
- 1.7 We confirm that we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code.

Conflicts of Interest: Declaration and Disclosures

- 1.8 We confirm that the Responsible Valuer and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation competently.
- 1.9 We confirm that we have no material interest in the Client and we are acting as an External Valuer in valuing the Properties for the Purpose (as that term is defined below).
- 1.10 This Valuation Report has been vetted as part of Knight Frank LLP's quality assurance procedures.
- 1.11 We recognise and support the RICS Rules of Conduct and have procedures for identifying conflicts of interest.

Independence

- 1.12 Knight Frank LLP currently values a number of freehold, heritable and/or leasehold interests of the Client (which for the avoidance of doubt does not include the Properties), for financial reporting purposes, on behalf of the Client. The total fees for this assignment, earned by Knight Frank LLP (or other companies forming part of the same group of companies within the UK) from the Client (or other companies within the UK) is less than 5.0% of the total UK revenues. It is not anticipated that there will be a material increase in the proportion of the fees payable, or likely to be payable, by the Client.
- 1.13 Other than these valuation services, Knight Frank LLP has no current material involvement with the assets being valued and we confirm that we can report without any material conflict.

Use of this Valuation

Purpose of valuation

- 1.14 The Valuation and this Valuation Report are each provided solely for the purpose of:
- (A) inclusion in an announcement proposed to be made by the Offeror pursuant to Rule 2.4 of the Code in connection with the Transaction (the "**Rule 2.4 Announcement**");
 - (B) inclusion in an announcement proposed to be made by the Offeror and the Offeree pursuant to Rule 2.7 of the Code in connection with the Transaction (the "**Rule 2.7 Announcement**");
 - (C) inclusion in a scheme circular to be published by the Offeree in connection with the Transaction (the "**Scheme Document**");
 - (D) inclusion in a prospectus to be published by the Offeror in connection with the Transaction and the issue and allotment of new shares in the capital of the Offeror pursuant, amongst other things, to the terms of the Transaction (the "**Prospectus**");
 - (E) inclusion and/or reference to it in any other announcements, documents and/or supplementary documents required to be released by the Offeror and/or the Offeree pursuant to the Code and which directly relate to the Transaction (each a "**Code Document**"); and
 - (F) publication on the Offeror's website and the Offeree's website in accordance with the requirements of Rule 26.3 of the Code and the UK Prospectus Regulation Rules,

(together, the “**Purpose**”).

Reliance

- 1.15 This Valuation Report has been prepared for the Addressees only and is for the use of, and may be relied upon by, the Addressees for the Purpose. Notwithstanding the General Terms, we acknowledge that this Valuation Report will also be for the use of the shareholders of the Offeror and the Offeree for the Purpose set out above.
- 1.16 Save for: (a) the Addressees; and (b) any responsibility arising under the Code and/or the UK Prospectus Regulation Rules to any person as and to the extent there provided, in accordance with Clauses 3 & 4 of the General Terms and 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 this Valuation Report or our statement, required by and given solely for the purposes of complying with the UK Prospectus Regulation Rules and Rule 29 of the Code.

Disclosure & publication

- 1.17 The Valuation has been prepared for the Client and in accordance with the Agreement which governs its purpose and use. As stated in the Agreement, this Valuation Report is confidential to the Addressees and must not be disclosed to any person other than for the Purpose without our express written consent. Other than for the Purpose, neither the whole, nor any part of this Valuation Report nor any reference thereto may be included in any prospectus, listing particulars, published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.
- 1.18 Notwithstanding paragraph 1.17 above, this Valuation Report may be disclosed as set out below:
- Subject to the terms and conditions (but disregarding for these purposes clauses 4.3 to 4.6 (inclusive) of the General Terms) of the Agreement and our approval of the form and context thereof, we hereby confirm that we will authorise and consent to the disclosure of this Valuation Report:
- i. as may be required by any applicable court of competent jurisdiction or other competent judicial or governmental body or any applicable law or regulation or pursuant to government action, regulatory requirement or request;
 - ii. to each Addressee's affiliates and each Addressee's affiliates' respective directors, officers, employees, agents, professional advisers, insurers, auditors and bankers that need to see the Valuation in connection with the Purpose;
 - iii. in the case of the Offeror Addressees, in seeking to establish a defence or otherwise in connection with any actual or threatened legal or regulatory proceedings or investigation relating to the matters set out in this Letter or claims that may be brought against them arising from their roles as financial adviser, sponsor and/or joint corporate broker (as applicable) to the Offeror;
 - iv. in the case of the Offeree Joint Financial Advisers, in seeking to establish a defence or otherwise in connection with any actual or threatened legal or regulatory proceedings or investigation relating to the matters set out in this Letter or claims that may be brought against them arising from their roles as joint financial adviser and/or joint corporate broker (as applicable) to the Offeree;
 - v. in investor presentations and other investor education materials prepared in connection with the Transaction, and in any private discussions with Investors or other third parties in connection with the

Transaction;

- vi. for the Purpose; and/or
 - vii. to any Addressee's insurers in respect of any claim or potential claim relating to the Transaction, but in each case only on the basis that: (a) such disclosure is made to inform the recipient that Knight Frank have no duty of care and therefore shall have no liability to the recipient in respect of the relevant document; and (b) such recipient agrees not to provide a copy of the document to any other person without the prior written consent of Knight Frank.
- 1.19 It is a condition of such disclosure that each party in receipt of this Valuation Report that is not an Addressee agrees and acknowledges that this Valuation Report cannot be relied upon by them, and we do not accept any responsibility, duty of care or liability to them, whether in contract, tort (including negligence), misrepresentation or otherwise in respect of the Valuation and the information it contains. For the avoidance of doubt, nothing in the preceding sentence shall affect our responsibility, for the purposes of Rule 5.3.2R(2)(f) of the UK Prospectus Regulation Rules, or under paragraphs 1.15 and 1.16 of this Valuation Report for the information contained in this Valuation Report.
- 1.20 This Valuation Report complies with Rule 29 of the Code and we understand that the publication or reproduction by the Offeror or Offeree of this Valuation Report and/or the information contained herein as required by Rules 26 and 29 of the Code is necessary, including in the Rule 2.4 Announcement, the Rule 2.7 Announcement, the Scheme Document and any Code Document.
- 1.21 We confirm that this Valuation Report complies with Rules 5.4.5G and 5.4.6G of the UK Prospectus Regulation Rules and paragraphs 128 to 130 of the FCA Technical Note.
- 1.22 We confirm that the information contained in the Prospectus which is extracted from this Valuation Report is accurate, balanced and complete and is not misleading or inconsistent with this Valuation Report as prepared by us and has been properly extracted, derived or computed from this Valuation Report.
- 1.23 The Addressees agree and acknowledge that we shall have no liability for any error, omission or inaccuracy in this Valuation Report to the extent resulting from our reliance on information provided by or on behalf of the Client unless otherwise stated. Notwithstanding the above, we highlight the restricted nature of this instruction, in accordance with the Red Book; as a result the reliance that can be placed on the Valuation is limited.

Verification

- 1.24 We recommend that before any financial transaction is entered into based upon the Valuation, you obtain verification of any third-party information contained within this Valuation Report.
- 1.25 We would advise you that whilst we have valued the Properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this Valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

Limitations on liability

- 1.26 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.
- 1.27 We confirm that we hold adequate and appropriate PII cover for this instruction.
- 1.28 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.
- 1.29 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law or regulation.

Scope of work

General Scope of Valuation Work

- 1.30 The Valuation has been undertaken, and this Valuation Report prepared, in accordance with the General Scope of Valuation Work appended to this Valuation Report at Appendix 2.

Information to be relied upon

- 1.31 We have relied upon the information previously provided to us by the Offeror, or by third parties in respect of the 30 June 2024 Valuation and will assume it to be correct for the purposes of the Valuation unless you inform us otherwise, subject only to any valuation that we have agreed to undertake.
- 1.32 Where we express an opinion in respect of (or which depends upon) legal issues, any such opinion must be verified by your legal advisors before any Valuation can be relied upon.
- 1.33 We are instructed to rely on floor areas and tenancy information provided by the Client. We have not read lease agreements nor verified accordance between tenancy schedule and lease terms.
- 1.34 Knight Frank LLP cannot be held liable as regards the legal description of the Properties, its use, non-compliance with statutory requirements, technological and natural risks, the areas taken into account, the existence of concealed defects, presence of asbestos, adverse ground condition, presence of soil contamination, presence of insects, noxious animals or plants, rot, or deleterious materials, etc. This Valuation Report comments on the above on the basis of Technical or Environmental reports, if provided.

Inspections

- 1.35 In undertaking the Valuation we have carried out an inspection of the Properties internally and externally. Our inspections of all the Properties have been undertaken within the last six months.

Information Provided

- 1.36 In this Valuation Report we have been provided with information by the Client, its advisors and other third parties. We have relied upon this information as being materially correct in all aspects.

- 1.37 In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this Valuation Report.
- 1.38 We have assumed there to be good and marketable titles to the Properties. We have made oral enquiries with the Client where appropriate and have taken account, insofar as we are aware, of unusual outgoing, planning proposals and onerous restrictions or local authority intentions which affect the Properties. However, this information has been provided to us on the basis that it should not be relied upon.
- 1.39 We have been supplied with details of tenure and tenancies and have valued on the basis that there are no undisclosed matters which would affect our valuation.
- 1.40 We have not undertaken any building surveys or environmental audits and are therefore unable to report that the Properties are free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of materials now suspect. No tests were carried out on any of the technical services. However, we have reflected any apparent wants of repair in our opinion of value as appropriate.
- 1.41 The Properties have been valued individually, not as part of a portfolio.

Assumptions

- 1.42 We have assumed, except where we have been informed to the contrary, that there are no adverse ground or soil conditions or environmental contaminations which would affect the present or future use of the Properties and that the load bearing qualities of the site of each property are sufficient to support the buildings constructed or to be constructed thereon.
- 1.43 In respect of the long leasehold interest held in 17&Central, 42 Selborne Rd, Walthamstow, London E17 7JR, we understand that the developer of the residential premises over part of the scheme, will be handing back 6 retail units with ancillary accommodation at first floor level to the Offeree in October 2024. We are making the assumption that all appropriate works will be completed by the developer and that the units will be handed back in shell condition in readiness for letting.
- 1.44 With regard to The Mall, 159 High Rd, Wood Green, London N22 6YQ we are aware that the Offeree will be responsible for the replacement to the external cladding panels to the Travelodge hotel. We have been provided with an estimate including contingency and fees to cover such works and are making the assumption that this capital provision is sufficient to complete the replacement of the panels. We have made a capital deduction in the valuation to cover the cost of the rectification works. We are further assuming that the tenant will be able to continue to operate while such works are undertaken.
- 1.45 Since 30 June 2024 we are aware that Cine-UK Limited which occupy premises at The Mall, 159 High Rd, Wood Green, London N22 6YQ, have issued a letter setting out re-structuring plans, which will be considered by the Court at the convening hearing. The full implications of the proposed restructure were unknown at the valuation date and our valuation currently reflects the uncertainty of the situation.
- 1.46 For The Exchange, High Rd, Ilford IG1 1RS, we understand that there are key lettings with agreed terms requiring capital expenditure. On Level 1 terms have been agreed to let 30,000 sq ft and Level 3, 14,000 sq ft. We are making the assumption that the capital provisions which have been deducted from the valuation are sufficient to complete the lettings.

2 Valuation

Methodology

2.1 The Valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Comparative method

2.2 In undertaking the Valuation, we have made our assessment on the basis of a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinity of the subject properties. With the benefit of such transactions we have then applied these to the Properties, taking into account size, location, aspect and other material factors.

Investment method

2.3 The Valuation has been carried out using the comparative and investment methods. In undertaking the Valuation, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject Properties. With the benefit of such transactions we have then applied these to the Properties, taking into account size, location, terms, covenant and other material factors.

Valuation bases

2.4 The basis of value for the Valuation as required by the Code is Market Value and therefore these valuations have been prepared on a Market Value basis.

Market Value

2.5 Market Value is defined within RICS Valuation – Global Standards 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.”

Portfolios

2.6 In a valuation of a property portfolio, we have valued the individual properties separately and we have assumed that the individual properties have been marketed in an orderly way.

Market Value

Market Value

2.7 We are of the opinion that the aggregate Market Value of the freehold, heritable and long leasehold interests in the Properties, subject to the existing tenancies on the assumptions highlighted above, as at the Valuation Date is:

£350,000,000 (Three Hundred and Fifty Million Pounds).

2.8 The number of Freehold/Heritable and Long Leasehold interests in the Properties and aggregate Market Value is summarised in the table below.

Property Type	Freehold/Heritable	Long Leasehold	Total
Market Value of Properties held for Investment	5 Properties	1 Property	6 Properties £350,000,000

2.9 For the purposes of Rule 29.5 of the Code, we confirm that in our opinion the current valuation of the Properties as at the date of this Valuation Report would not be materially different from the valuation of the Properties as at the Valuation Date.

2.10 We are not aware of any matter which would materially affect the Market Value of the Properties which is not disclosed in this Valuation Report (subject to the assumptions set out in this Valuation Report) and we are not aware of any matter in relation to this Valuation Report that we believe should be and has not yet been brought to the attention of the Addressees.

2.11 The valuation of the Properties reported in the Offeree's latest published annual or consolidated accounts as at 30 June 2024 was undertaken by an independent third party valuer without input from us. Property valuations, and the assumptions underpinning them, are subjective and therefore differences of opinion can and do occur between valuers. While we therefore are not instructed to comment on how that independent third party valuer reached that aggregate valuation, for the purposes of paragraph 130(vi) of the FCA Technical Note, we consider the modest difference of -6.64% between the valuation figure in this Valuation Report and the equivalent figure reported in the Offeree's latest published annual or consolidated accounts to be as a result of the way in which we and that third party independent valuer have applied those subjective assumptions.

Responsibility

2.12 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 this 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 Valuation Report complies with and is prepared in accordance with, and on the basis of, the Code. We authorise its contents for the purposes of Rule 29 of the Code. Knight Frank LLP has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Rule 2.4 Announcement, the Rule 2.7 Announcement, the Scheme Document and in the Prospectus.

2.13 We accept responsibility (including for the purpose of Rule 5.3.2R(2)(f) of the UK Prospectus Regulation Rules) for the information contained in this Valuation Report and 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 omission likely to affect its import.

Consent

- 2.14 Knight Frank LLP has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Rule 2.4 Announcement, the Rule 2.7 Announcement, the Scheme Document and in the Prospectus published by the Client and/or the Offeree in the form and context in which it is included.
- 2.15 We consent to the inclusion of the Valuation and this Valuation Report and any extracts or references thereto in the Prospectus and the reference to our name in the form and context in which they are included in the Prospectus (subject to us first approving the form and context in which our Valuation Report will appear).

Appendix 1 List of Properties

Property Address – Shopping Centres	Tenure	Property Type	Date of Inspections	Ownership Purpose
The Gyle Shopping Centre, Gyle Ave, Edinburgh EH12 9JY	Heritable	Shopping Centre	12/08/2024	Investment
The Marlowes Shopping Centre & Fareham House, Hemel Hempstead , Hertfordshire, HP1 1DX	Freehold	Shopping Centre and Retail Parade	05/08/2024	Investment
The Exchange, High Rd, Ilford IG1 1RS	Freehold	Shopping Centre	15/07/2024	Investment
The Mall, Maidstone , Kent, ME15 6AT	Freehold	Shopping Centre	08/08/2024	Investment
17&Central, 42 Selborne Rd, Walthamstow , London E17 7JR	Long Leasehold	Shopping Centre	07/08/2024	Investment
The Mall, 159 High Rd, Wood Green , London N22 6YQ	Freehold	Shopping Centre	07/08/2024	Investment

Appendix 2 General Scope of Valuation Work

General Scope of Valuation Work

As required by the RICS Valuation – Global Standards (the “Red Book”) this General Scope of Valuation Work describes information we will rely on, the investigations that we will undertake, the limits that will apply to those investigations and the assumptions we will make, unless we are provided with or find information to the contrary.

Definitions

“**Assumption**” is something which it is agreed the valuer can reasonably accept as being true without specific investigation or verification.

“**Property**” is the interest which we are instructed to value in land including any buildings or other improvements constructed upon it.

“**Valuation**” shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to this engagement and any other replies or information we produce in respect of any such report and/or any relevant property.

16. Property to be valued

16.1 We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the address provided in your instructions, is the Property inspected by us and included within our Valuation. If there is ambiguity as to the Property address, or the extent of the Property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our Valuation.

16.2 We will rely upon information provided by you or your legal advisers relating to the Property to be valued, including any tenancies, sub-tenancies or other third-party interests. Any information on title and tenure we are provided with by a third party during the course of our investigations will be summarised in our Valuation but will be subject to verification by your legal advisers. We will be under no obligation to make any searches of publicly available land registers. We will not make or commission any investigations to verify any of this information. In particular, we will not investigate or verify that :

- (s) all title information relied upon and referred to in our Valuation is complete and correct,
- (t) all documentation is satisfactorily drawn,
- (u) there are no undisclosed onerous conditions or restrictions that could impact on the marketability of the Property valued, and
- (v) there is no material litigation pending, relating to the Property valued.

16.3 Where we provide a plan of the Property in our Valuation this is for identification only. While the plan reflects our understanding based on the information provided to us it must not be relied upon to define boundaries, title or easements.

16.4 Our Valuation will include those items of plant and machinery normally considered to be part of the service installations to a building and which would normally pass with the Property on a sale or letting. We will exclude all other items of process plant, machinery, trade fixtures and equipment, chattels, vehicles, stock and loose tools, and any tenant’s fixtures and fittings.

16.5 Unless agreed otherwise in writing we will neither investigate nor include in our Valuation any unproven or unquantified mineral deposits, felled timber, airspace or any other matter which may or

may not be found to be part of the Property but which would not be known to a buyer or seller on the valuation date.

16.6 Unless agreed otherwise our Valuation will make the Assumption that all parts of the Property occupied by the current owner on the valuation date would be transferred with vacant possession and any tenancies, sub-tenancies or other third party interests existing on the valuation date will continue.

16.7 Where requested legal title and tenancy information is not provided in full, in the absence of any information provided to the contrary, our Valuation will make the Assumption that the subject Property has good title and is free from any onerous restrictions and/or encumbrances or any such matter which would diminish its value.

17. Portfolios

17.1 Where instructed to value a portfolio of properties, unless specifically agreed with you otherwise, we will value each Property separately on the basis that it is offered individually to the market.

18. Building specification and condition

18.1 We will note the general condition of any building and any building defect brought to our attention and reflect this in our Valuation. We will not undertake a detailed investigation of the materials or methods of construction or of the condition of any specific building element. We will not test or commission a test of service installations. Unless we become aware during our normal investigations of anything to the contrary and mention this in our Valuation, our Valuation will , make the Assumption that:

- (w) any building is in a condition commensurate with its age, use and design and is free from significant defect,
- (x) no construction materials have been used that are deleterious, or likely to give rise to structural defects,
- (y) no potentially hazardous or harmful materials are present, including asbestos,
- (z) all relevant statutory requirements relating to use, construction and fire safety have been complied with,
- (aa) any building services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction and
- (bb) the supply to the building of electricity, data cable network and water, are sufficient for the stated use and occupancy.

18.2 If you require information on the structure or condition of any building our specialist building surveyors can provide a suitable report.as a separate service.

19. Environment and sustainability

19.1 Our Valuation will reflect the market’s perception of the environmental performance of the Property and any identified environmental risks as at the valuation date. This may include reflecting information you provide to us that has been prepared by

suitably qualified consultants on compliance of existing or proposed buildings with recognised sustainability metrics. Where appropriate we will research any freely available information issued by public bodies on the energy performance of existing buildings.

19.2 We will investigate whether the Property has a current Energy Performance Certificate on the relevant government register and report our findings. As part of our valuation service we will not advise on the extent to which the Property complies with any other Environmental, Social or Governance (ESG) metrics or to what extent the building, structure, technical services, ground conditions, will be impacted by future climate change events, such as extreme weather, or legislation aimed at mitigating the impact of such events. If required KF may be able to advise on ESG considerations and their long-term impact on a Property as a separate service.

20. Ground conditions and contamination

20.1 We may rely on any information you provide to us about the findings and conclusions of any specialist investigations into ground conditions or any contamination that may affect the Property. Otherwise our investigations will be limited to research of freely available information issued by Government Agencies and other public bodies for flood risk, recorded mining activity and radon. We will also record any common sources or indicators of potential contamination observed during our inspection.

20.2 Unless specifically instructed by you to do so, we will not commission specialist investigations into past or present uses either of the Property or any neighbouring property to establish whether there is contamination or potential for contamination, or any other potential environmental risk. Neither will we be able to advise on any remedial or preventive measures.

20.3 We will comment on our findings and any other information in our possession or discovered during our investigations in our Valuation.

20.4 Unless we become aware of anything to the contrary and mention this in our Valuation, for each Property valued our Valuation will make the Assumption that:

- (cc) the site is physically capable of development or redevelopment, when appropriate, and that no extraordinary costs will be incurred in providing foundations and infrastructure,
- (dd) there are no archaeological remains on or under the land which could adversely impact on value,
- (ee) the Property is not adversely affected by any form of pollution or contamination,
- (ff) there is no abnormal risk of flooding,
- (gg) there are no high voltage overhead cables or large electrical supply equipment affecting the Property
- (hh) the Property does not have levels of radon gas that will require mitigation work, and
- (ii) there are no invasive species present at the Property or within close proximity to the Property.
- (jj) There are no protected species which could adversely affect the use of the Property.

21. Planning and highway enquiries

21.1 We may research freely available information on planning history and relevant current policies or proposals relating to any Property being valued using the appropriate local authority website. We will not commission a formal local search. Our Valuation will make the Assumption that any information obtained will be correct, but our findings should not be relied on for any contractual purpose.

21.2 Unless we obtain information to the contrary, Our Valuation will make the Assumption that:

(kk) the use to which the Property is put is lawful and that there is no pending enforcement action,

(ll) there are no local authority proposals that might involve the use of compulsory purchase powers or otherwise directly affect the Property.

21.3 We do not undertake searches to establish whether any road or pathways providing access to the Property are publicly adopted. Unless we receive information to the contrary or have other reason to suspect an adjoining road or other access route is not adopted, our Valuation will make the Assumption that all such routes are publicly adopted.

22. Other statutory and regulatory requirements

22.1 A property owner or occupier may be subject to statutory regulations depending on their use. Depending on how a particular owner or occupier uses a building, the applicable regulations may require alterations to be made to buildings. Our valuation service does not include identifying or otherwise advising on works that may be required by a specific user in order to comply with any regulations applicable to the current or a proposed use of the Property. Unless it is clear that similar alterations would be required by most prospective buyers in the market for a property, our Valuation will make the Assumption that no work would be required by a prospective owner or occupier to comply with regulatory requirements relating to their intended use.

22.2 We will not investigate or comment on licences or permits that may be required by the current or any potential users of the Property relating to their use or occupation.

23. Measurements

23.1 Where building floor areas are required for our valuation, unless we have agreed to rely on floor areas provided by you or a third party, we will take measurements and calculate the appropriate floor areas for buildings in accordance with the RICS Property Measurement Professional Standard. These measurements will either be wholly taken by us during our inspection or from scaled drawings provided to us and checked by sample measurements on site. The floor areas will be within a tolerance that is appropriate having regard to the circumstances and purpose of the valuation instruction.

23.2 Where required, any site areas will be calculated from our understanding of the boundaries using digital mapping technology, subject to clause 1.3 above.

24. Investment properties

24.1 Where the Property valued is subject to a tenancy or tenancies, we will have regard to the market's likely perception of the financial status and reliability of tenants arriving at our valuation. We will not undertake detailed investigations into the financial standing of any tenant. Unless advised by you to the contrary our Valuation will make the Assumption that there are no material rent arrears or breaches of other lease obligations.

25. Development properties

25.1 If we are instructed to value Property for which development, redevelopment or substantial refurbishment is proposed or in progress, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We shall be entitled to rely on such information in preparing our valuation. If a professional estimate of build costs is not made available, we will rely on published build cost data but this must be recognised as being less reliable as it cannot account for variations in site conditions and design. This is particularly true for refurbishment work or energy efficiency and environmental upgrades. In the absence of a professionally produced cost estimate for the specific project we may need to qualify our report and the reliance that can be placed on our valuation.

25.2 For Property in the course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation. We will have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

26. VAT, taxation and costs

26.1 The reported valuation will be our estimate of the price that would be agreed with no adjustment made for costs that would be incurred by the parties in any transaction, including any liability for VAT, stamp duty or other taxes. It is also gross of any mortgage or similar financial encumbrance.

27. Property insurance

27.1 Except to the limited extent provided in clause 3 and clause 4 above we do not investigate or comment on how potential risks would be viewed by the insurance market. Our Valuation will be on the Assumption that each Property would, in all respects, be insurable against all usual risks including fire, terrorism, ground instability, extreme weather events, flooding and rising water table at normal, commercially acceptable premiums.

28. Reinstatement cost estimates

28.1 We can only accept a request to provide a building reinstatement cost estimate for insurance purposes alongside our Valuation of the Property interest on the following conditions:

(mm) the assessment provided is indicative, without liability and only for comparison with the current sum insured, and

(nn) The building is not specialised or listed as being of architectural or historic importance.

28.2 Otherwise we can provide an assessment of the rebuilding cost by our specialist building surveyors as a separate service.

29. Legal advice

29.1 We are appointed to provide valuation opinion(s) in accordance with our professional duties as valuation surveyors. The scope of our service is limited accordingly. We are not qualified legal practitioners and we do not provide legal advice. If we indicate what we consider the effect of any provision in the Property's title documents, leases or other legal requirements may have on value, we strongly recommend that this be reviewed by a qualified lawyer before you take any action relying on our valuation.

30. Loan security

30.1 If we are requested to comment on the suitability of the Property as a loan security we are only able to comment on any risk to the reported value that is inherent in either its physical attributes or the interest valued. We will not comment on the degree and adequacy of capital and income cover for an existing or proposed loan or on the borrower's ability to service payments.

Part D – CBRE Valuation Report (Capital & Regional Portfolio)

Valuation Report

In respect of:

Portfolio of 6 properties held by Capital & Regional plc

On behalf of:

the Addressees as set out below

Date of valuation:

30 June 2024

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Valuation Report

Introduction

Report Date	24 September 2024
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Valuation Date	30 June 2024
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Addressee	<p>The Directors Capital & Regional PLC First Floor Strand Bridge House 138-142 Strand London WC2R 1HH (hereinafter referred to as the “Company”)</p> <p>And</p> <p>Numis Securities Limited (trading as Deutsche Numis) 45 Gresham Street London EC2V 7BF (hereinafter referred to as “Deutsche Numis”)</p> <p>And</p> <p>Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET (hereinafter referred to as “Stifel”)</p> <p>(Deutsche Numis and Stifel together in their capacity as Joint Financial Advisers to the Company)</p> <p>And</p> <p>The Directors NewRiver REIT plc 89, Whitfield Street London W1T 4DE (hereinafter referred to as “NewRiver”)</p> <p>And</p> <p>Jefferies International Limited 100 Bishopsgate London</p>
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EC2N 4JL
(hereinafter referred to as “Jefferies”)

(Jefferies in their capacity as Financial Adviser to NewRiver)

And

Panmure Liberum Limited
Ropemaker Place
25 Ropemaker Street
London
EC2Y 9LY
(hereinafter referred to as “Panmure Liberum”)

(Panmure Liberum in their capacity as Sole Sponsor and Joint Corporate Broker to NewRiver)

And

Shore Capital Stockbrokers Limited
Cassini House
57 St James’s Street
London
SW1A 1LD
(hereinafter referred to as “Shore Capital”)

(Shore Capital in their capacity as Joint Corporate Broker to NewRiver)

And

Kinmont Limited
5 Clifford Street
London
W1S 2LG (hereinafter referred to as “Kinmont”)

(Kinmont in their capacity as Joint Financial Adviser to NewRiver)

and all the above hereinafter together referred to as the “Addressees”

The Properties

6 properties held by the Company, as set out in the Schedule of Properties below in Appendix A (each a “Property” and together the “Properties”).

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 Limited (“CBRE”) and the Addressees dated 13 September 2024 (the “Valuation”).

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 an announcement to be issued by NewRiver in connection with a possible offer by NewRiver for the entire issued and to be issued ordinary share capital of the Company (the “Transaction”) pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (the “Takeover Code”) (the “Rule 2.7 Announcement”).</p> <p>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.</p> <p>The effective date of our Valuation is 30 June 2024 (the “Valuation Date”).</p> <p>In accordance with the Red Book we have made certain disclosures in connection with this valuation instruction and our relationship with the Addressees.</p>								
Market Value of the Properties as at 30 June 2024	<p>£374,900,000 (THREE HUNDRED AND SEVENTY-FOUR MILLION, NINE HUNDRED THOUSAND POUNDS) exclusive of VAT, as shown in the Schedule of Capital Values set out below.</p> <p>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.</p> <p>There are no negative values to report.</p> <p>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.</p> <p>The Properties are split by tenure as follows.</p>								
	<table border="1"> <thead> <tr> <th>Property Type</th> <th>Freehold</th> <th>Long Leasehold (250 years)</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Market Value of Properties held for Investment</td> <td>£297,900,000(5 Properties)</td> <td>£77,000,000 (1 Property)</td> <td>£374,900,000 (6 Properties)</td> </tr> </tbody> </table>	Property Type	Freehold	Long Leasehold (250 years)	Total	Market Value of Properties held for Investment	£297,900,000(5 Properties)	£77,000,000 (1 Property)	£374,900,000 (6 Properties)
Property Type	Freehold	Long Leasehold (250 years)	Total						
Market Value of Properties held for Investment	£297,900,000(5 Properties)	£77,000,000 (1 Property)	£374,900,000 (6 Properties)						
Report Format	<p>Appendix A of this Valuation Report contains the Schedule of Properties. Appendix B provides the individual property details of the Properties.</p>								
Market Conditions	<p>Heightened global geopolitical tensions, combined with energy security issues, climate change and increased state-backed cyber-attacks continue to affect property</p>								

market stability. While there is recent evidence of economic growth in the UK, along with expectations of interest rate reductions in the latter part of 2024, capital markets remain constrained and investors remain cautious. There are signs that capital values are beginning to stabilise in several sectors, however, there continues to be a high degree of polarisation between primary and secondary class assets.

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

It is important to note that the conclusions set out in this Valuation 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.

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 at the Valuation Date.

The Valuation has been prepared in accordance with, and as such is compliant with, the requirements of Rule 29 of the Takeover Code.

The Properties have been valued by a valuer who is qualified in accordance with the Red Book and Rule 29.3 (a) (ii) and (iii) of the Takeover Code. We confirm that we have sufficient and current local and national knowledge of the particular property market involved and have the necessary 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.

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

	<p>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.</p> <p>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.</p>
Climate Risk Legislation	<p>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.</p> <p>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.</p> <p>The European Union's "Sustainable Finance Disclosure Regulations" (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.</p>
Assumptions	<p>The Properties' details on which each Valuation is based are as set out in this Valuation 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.</p> <p>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.</p>
Variations and/or Departures from Standard Assumptions	None.
Independence	The total annual fees, including the fee for this assignment, earned by CBRE (or other companies forming part of the same group of companies within the UK) from the Company (or other companies forming part of the same group of companies) are less than 5.0% of the total annual UK revenues.

The total annual fees, including the fee for this assignment, earned by CBRE (or other companies forming part of the same group of companies within the UK) from NewRiver (or other companies forming part of the same group of companies) are less than 5.0% of the total annual 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, NewRiver or any of the Properties or in the outcome of the Valuation.

Previous Involvement and Conflicts of Interest

We confirm that we have valued 2 of the Properties on behalf of the Company on a half-yearly basis for financial reporting purposes for in excess of 10 years, we have valued 1 of the Properties on a half-yearly basis for financial reporting purposes for in excess of 5 years and the other 3 we have valued on a half-yearly basis for financial reporting purposes for less than 5 years. The most recent valuation being as at 30 June 2024.

From time to time, CBRE provides agency or professional services to the Company. CBRE provides some agency and/or professional services to some of the occupiers of the Properties and where this occurs, any conflict arising is managed through an information barrier.

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 the Retail Capital Markets team of CBRE has provided advice to NewRiver on this Transaction and all parties have agreed to this on the basis that the agreed information barriers between the two teams have been put in place. CBRE has carried out agency and some professional services on behalf of NewRiver for in excess of 10 years on an ad hoc basis.

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

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

Disclosure

The principal signatory of this Valuation Report has continuously been the signatory of valuations for the Company of: The Mall, Wood Green, 17& Central, Walthamstow and The Exchange, Ilford, since December 2022; and for The Mall, Maidstone, The Gyle, Edinburgh and The Marlowes, Hemel Hempstead, since December 2023.

CBRE has continuously been carrying out valuation instructions for the Company since 2007. CBRE has carried out agency and some professional services on behalf of the Company for in excess of 10 years on an ad hoc basis.

Responsibility

For the purposes of Rule 29 of the Takeover 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 this Valuation Report makes no omissions likely to affect its import.

Save for any responsibility arising under the Takeover Code 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 other person as a result of, arising out of, or in accordance with this Valuation Report or our statement above.

Reliance

Save as set out in “Responsibility” above, the contents of this Valuation 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,

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 Valuation 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 approval to not be unreasonably withheld or delayed).

Such publication of, or reference to this Valuation 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

Yours faithfully

Ana Burke
MRICS
Director
RICS Registered Valuer
For and on behalf of CBRE Limited
+447827993001
Ana.Burke@cbre.com

Peter Stoughton-Harris
BSc (Hons) MRICS
Executive Director
RICS Registered Valuer
For and on behalf of CBRE Limited
+44 7770847303
Peter.Stoughton-Harris@cbre.com

Sources 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 Valuation Report, which we have assumed to be correct and comprehensive, including:</p> <ol style="list-style-type: none">1. Tenancy and management information, supplied on the 28th May and updated ad hoc until the valuation date;2. Capex information, supplied on the 5th June;3. Measured floor areas; and4. Detailed comments from the Company on our draft Valuations, principally at a draft valuation meeting on the 17th June.
The Properties	<p>Our Valuation Report contains a brief summary of the Property details on which our Valuation has been based.</p>
Inspection	<p>As part of our valuation instruction from the Company for financial reporting purposes, the Properties have been subject to external inspections each year. 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 Properties 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 exist.</p>

Sustainability Considerations	In carrying out this Valuation, we have considered the impact of sustainability factors on the value of the Properties. 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.
Services and Amenities	<p>We understand that the Properties are located in an area served by mains gas, electricity, water and drainage.</p> <p>None of the services have been tested by us.</p> <p>Enquiries regarding the availability of utilities/services to the development schemes are outside the scope of our Valuation Report.</p>
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	<p>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 Valuation 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.</p> <p>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.</p>
Introduction	<p>An Assumption is defined in the Red Book Glossary and VPS 4 to be a "supposition taken to be true" (an "Assumption").</p> <p>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.</p> <p>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.</p> <p>For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.</p>

Capital Values	<p>The Valuation has been prepared on the basis of “Market Value”, which is defined in the Red Book as:</p> <p>“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.”</p> <p>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.</p> <p>No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.</p> <p>No account has been taken of the availability or otherwise of capital based Government or European Community grants.</p>
Taxation, Costs and Realisation Costs	<p>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.</p> <p>Our Valuations reflect purchasers' statutory and other normal acquisition costs.</p>
VAT	<p>We have not been advised whether the Properties are elected for VAT.</p> <p>All rents and capital values stated in this Valuation Report are exclusive of VAT.</p>
Net Annual Rent	<p>Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer:</p> <ul style="list-style-type: none"> (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	<p>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 Valuation Date. Where the Properties, or parts thereof, are vacant at the Valuation Date, the rental value reflects the rent we consider would be obtainable on an open market letting as at the Valuation Date.</p>
Rental Values	<p>Unless stated otherwise rental values indicated in our Valuation 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:</p> <p>"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</p>

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 Valuation 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 1 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 they are, 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 Valuation Report, and in the absence of any information to the contrary, we have assumed that:

- a) the Properties possess 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 are 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 30 June 2024

Address	Property Type	Tenure	Most Recent Inspection Date	Ownership Purpose
The Mall Wood Green, 159 High Street, London, United Kingdom, N22 6YQ	Retail	Freehold	29 June 2024	Investment
The Mall, Maidstone, Pad's Hill, Maidstone, United Kingdom, ME15 6AT	Retail	Freehold	29 November 2023	Investment
The Exchange, Ilford, High Street, London, United Kingdom, IG1 1RS	Retail	Freehold	30 April 2024	Investment
17 & Central, Walthamstow, 42 Selbourne Road, London, United Kingdom, E17 7JR	Retail	Long Leasehold (250 years)	29 June 2024	Investment
Marlowes, Hemel Hempstead, Hemel Hempstead, Hemel Hempstead, United Kingdom, HP1 1DX	Retail	Freehold	24 November 2023	Investment
The Gyle Edinburgh, Gyle Ave, Edinburgh, United Kingdom, EH12 9JY	Retail	Heritable title	6 July 2024	Investment

Appendix B: Property Details as at 30 June 2024

Property	Description, Age and Tenure	Terms of Existing Tenancies	Annual Rent receivable as at 30 June 2024	Estimated Rental Value (ERV) as at 30 June 2024	Market Value as at 30 June 2024
The Gyle Shopping Centre, Gyle Avenue, Edinburgh, EH12 9JY	<p>The property is located 6 km west of Edinburgh city centre.</p> <p>The property is held on heritable title.</p> <p>This enclosed centre is anchored by Morrisons and Marks & Spencer, which are located on western and eastern ends of the centre respectively with all other retail units located in between two anchor stores. The food court is located at the first floor and consists of six food outlets.</p> <p>The property benefits from 2,500 surface car parking spaces. The bus stop is located on the site with the tram service being located in the immediate vicinity connecting The Gyle with Edinburgh city centre and the airport.</p> <p>The anchor stores, Morrisons and Marks and Spencer are let for a long term (125+ years) at a peppercorn rent albeit they contribute to the service charge of the centre.</p> <p>Other major occupiers include Next, Boots and WH Smith and their combined income is c.40% of the total income however the lease for Boots expires in July 2025.</p> <p>The property benefits from weighted average unexpired lease term of 3.16 years to expiry and 2.89 years to break (excluding mall income).</p> <p>The property's occupancy rate is 93.05% by ERV albeit there are a number of temporary leases included in this figure.</p>	<p>The majority of leases are drawn on full repairing and insuring terms. In general, the retail unit rents are subject to five- yearly, upwards- only rent reviews to market rental value. In addition to these tenancies, there are several licences held within the centre, in respect of kiosks, advertising, telecom stations and sundry mall provisions.</p> <p>There are also a number of concessionary rents and short-term inclusive lettings that have been granted.</p>	£6,283,109 (Excl.)	£5,431,949 (Excl.)	£42,000,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Annual Rent receivable as at 30 June 2024	Estimated Rental Value (ERV) as at 30 June 2024	Market Value as at 30 June 2024
The Mall, Wood Green, 159 High	The property is located in the north London suburb of Wood Green, approximately 6 miles north of central London.	The majority of leases are drawn on full repairing and insuring terms. In general, the retail unit	£13,043,519 (Excl.)	£12,781,062 (Excl.)	£152,500,000

Property	Description, Age and Tenure	Terms of Existing Tenancies	Annual Rent receivable as at 30 June 2024	Estimated Rental Value (ERV) as at 30 June 2024	Market Value as at 30 June 2024
<p>Road, London, N22 6YQ</p>	<p>The property is held on a freehold title.</p> <p>This enclosed centre comprises two separate elements with frontage to either side of the High Street, which are connected by an enclosed bridge on the first floor. The centre is anchored by Primark, Travelodge, Cineworld, H&M and TK Maxx. There is food and beverage throughout with a concentration of food outlets in part of the north side of the scheme on the ground floor.</p> <p>The property benefits from a multi storey car park with 1,500 parking spaces. There is good public transport provision with Wood Green Underground Station approximately 3 minutes' walk.</p> <p>Other major occupiers include Boots, Argos and Pure Gym. The top five occupiers combined income is c.25% of the total income with H&M in the process of renewing their lease, which has expired.</p> <p>The property benefits from weighted average unexpired lease term of 5.42 years to expiry and 3.96 years to break (excluding car parking income and mall income).</p> <p>The property's occupancy rate is 95.29% by ERV.</p>	<p>rents are subject to five- yearly, upwards- only rent reviews to market rental value. In addition to these tenancies, there are several licences held within the centre, in respect of kiosks, advertising, telecom stations and sundry mall provisions.</p> <p>There are also a number of concessionary rents and short-term inclusive lettings that have been granted.</p>			

Property	Description, Age and Tenure	Terms of Existing Tenancies	Annual Rent receivable as at 30 June 2024	Estimated Rental Value (ERV) as at 30 June 2024	Market Value as at 30 June 2024
<p>17 & Central, 42 Selborne Road, Walthamstow, E17 7JR</p>	<p>Walthamstow is located approximately 9 miles north east of Central London in the London Borough of Waltham Forest.</p> <p>The property is held on a Long Lease from 23 June 2022 for 250 years.</p> <p>This enclosed centre is anchored by Asda and Lidl supermarkets, located on western and eastern ends of the centre respectively with all other retail units located in between these stores. The old food court has been transformed into a modern food and leisure destination.. The space consists of a number of food outlets, a bar, outdoor terrace, events space and a childrens soft play facility.. There is a multi-storey car park located within the property providing parking for approximately 500 vehicles accessed via Selborne Road.</p> <p>The scheme is located adjacent to Walthamstow Underground Station and bus station, a short walk from the centre.</p> <p>Pplans to redevelop and extend The Mall, Walthamstow were approved by London Borough of Waltham Forest’s Planning Committee on 27 January 2021.</p> <p>This approved scheme will provide new retail space, 495 new homes for private rent (Phase 1), 43 new homes for private sale, a new external children’s play area and re-landscaped town square. The works began in mid-July 2022 and completion of Phase 1 is scheduled for mid-2025.</p> <p>Other major occupiers include TK Maxx, The Gym and Sportsdirect. Top five occupiers account for c.30% of the total income.</p> <p>The property benefits from weighted average unexpired lease term of 5.96 years to expiry and 4.18 years to break (excluding car parking income and mall income).</p> <p>The property’s occupancy rate is 94.60% by ERV (with the exclusion of the units under reconfiguration to facilitate Phase 1 of the new development) albeit there are a number of temporary let leases included in this figure.</p>	<p>The majority of leases are drawn on full repairing and insuring terms. In general, the retail unit rents are subject to five- yearly, upwards- only rent reviews to market rental value. In addition to these tenancies, there are several licences held within the centre, in respect of kiosks, advertising, telecom stations and sundry mall provisions.</p> <p>There are also a number of concessionary rents and short-term inclusive lettings that have been granted.</p>	<p>£5,995,877 (Excl.)</p>	<p>£6,937,707 (Excl.)</p>	<p>£77,000,000</p>

Property	Description, Age and Tenure	Terms of Existing Tenancies	Annual Rent receivable as at 30 June 2024	Estimated Rental Value (ERV) as at 30 June 2024	Market Value as at 30 June 2024
<p>The Exchange, Ilford, High Road, Ilford, IG1 1RS</p>	<p>Ilford is located approximately 9 miles northeast of Central London in the London Borough of Redbridge.</p> <p>The property is held on a freehold title.</p> <p>This enclosed centre is retail anchored by TK Maxx, who have relocated to the mid-level of the former Debenhams store, as well as a two-level Next store. The Instant Group, which occupied the top level of the former Debenhams store, have exercised their break and will vacate in September 2024. The unit will be split, and part of the unit is under offer to a childrens soft play centre. The lower level of the former Debenhams unit is under offer to a supermarket operator. The NHS are also now in occupation on a 25 year lease.</p> <p>The property benefits from fronting on to the new entrance at Ilford Railway Station, for the Elizabeth Line. The scheme is also well connected to the national road system with the M25 and M11 situated 11 miles and 4 miles respectively from Ilford. There is a multi-storey car park located within the property providing parking for approximately 1,200 vehicles.</p> <p>The combined income of the top 5 tenants is c.26% of the total income.</p> <p>The property benefits from weighted average unexpired lease term of 5.71 years to expiry and 4.86 years to break (excluding car parking income and mall income).</p> <p>The property's occupancy rate is 92.19% by ERV albeit there are a number of temporary letting leases included in this figure.</p>	<p>The majority of leases are drawn on full repairing and insuring terms. In general, the retail unit rents are subject to five- yearly, upwards- only rent reviews to market rental value. In addition to these tenancies, there are several licences held within the centre, in respect of kiosks, advertising, telecom stations and sundry mall provisions.</p> <p>There are also a number of concessionary rents and short-term inclusive lettings that have been granted.</p>	<p>£5,604,935 (Excl.)</p>	<p>£6,413,615 (Excl.)</p>	<p>£62,300,000</p>

Property	Description, Age and Tenure	Terms of Existing Tenancies	Annual Rent receivable as at 30 June 2024	Estimated Rental Value (ERV) as at 30 June 2024	Market Value as at 30 June 2024
<p>The Mall, Pads Hill, Maidstone, ME15 6AT</p>	<p>Maidstone is largest town in Kent and is the municipal centre for the county. The town lies 32 miles from the south east of London.</p> <p>The property is held on a freehold title.</p> <p>This enclosed centre comprises retail accommodation arranged over 3 floors. The centre is anchored by B&M, Boots, Matalan, Sportsdirect and Next. The centre is adjacent to a large Sainsbury's and is located in Maidstone town centre.</p> <p>The town's main bus station is located between the Property and the adjacent Sainsbury's and provides direct access to the scheme. Buses run to several local and regional destinations. There is a multi-storey car park located within the property providing parking for approximately 1,050 vehicles.</p> <p>Other tenants include Pure Gym, Iceland and Lewis Home Retail (TJ Hughes). The combined income of the top 5 tenants is c.23% of the total income.</p> <p>The property benefits from weighted average unexpired lease term of 5.55 years to expiry and 4.18 years to break (excluding car parking income and mall income).</p> <p>The property's occupancy rate is 88.52% by ERV albeit there are a number of temporary letting leases included in this figure.</p>	<p>The majority of leases are drawn on full repairing and insuring terms. In general, the retail unit rents are subject to five-yearly, upwards-only rent reviews to market rental value. In addition to these tenancies, there are several licences held within the centre, in respect of kiosks, advertising, telecom stations and sundry mall provisions.</p> <p>There are also a number of concessionary rents and short-term inclusive lettings that have been granted.</p>	<p>£5,132,618(Excl.)</p>	<p>£5,191,367(Excl.)</p>	<p>£31,300,000</p>

Property	Description, Age and Tenure	Terms of Existing Tenancies	Annual Rent receivable as at 30 June 2024	Estimated Rental Value (ERV) as at 30 June 2024	Market Value as at 30 June 2024
<p>The Marlowes, Hemel Hempstead, HP2 4TU</p>	<p>The property is located in Hemel Hempstead town centre, approximately 24 miles north of central London.</p> <p>The property is held on freehold title.</p> <p>The shopping centre was built in 1990 with a main mall running north to south and two connecting malls to the Marlowes. Most of the trading takes place on the ground floor, with some on the first floor in the North and South Courts.</p> <p>Hemel Hempstead railway station, situated 1.3 miles southeast of the property is on the London Midland line, providing a frequent and direct train service to London Euston, with a fast journey time of only 27 minutes.</p> <p>The property benefits from a rooftop multi-story car park providing 1,200 spaces. The scheme is served by a number of bus routes, which are accessed adjacent to the centre.</p> <p>Major occupiers include B&M, Pure Gym, New Look, Metro Bank, Sportsdirect and Bank of Scotland and their combined income is c.46% of the total income however New Look and Sportsdirect have lease expiry/tenant break option in the next 24 months. Marks & Spencer also have a store entrance directly accessing the centre which is held on a long lease (82 years) at a peppercorn rent.</p> <p>The property benefits from weighted average unexpired lease term of 3.99 years to expiry and 3.31 years to break (excluding car parking income and mall income).</p> <p>The property's occupancy rate is 85.60% by ERV albeit there are a number of temporary letting leases included in this figure.</p>	<p>The majority of leases are drawn on full repairing and insuring terms. In general, the retail unit rents are subject to five- yearly, upwards- only rent reviews to market rental value. In addition to these tenancies, there are several licences held within the centre, in respect of kiosks, advertising, telecom stations and sundry mall provisions.</p> <p>There are also a number of concessionary rents and short-term inclusive lettings that have been granted.</p>	<p>£2,746,420 (Excl.)</p>	<p>£3,197,612 (Excl.)</p>	<p>£9,800,000</p>

APPENDIX 5

NEWRIVER QUANTIFIED FINANCIAL BENEFITS STATEMENT

Part A

Paragraph 4 of this announcement contains statements of the estimated cost savings and synergies expected to arise from the Combination (together, the “**Quantified Financial Benefits Statement**”).

A copy of the Quantified Financial Benefits Statement is set out below:

The NewRiver Directors, having undertaken a review and analysis of the potential cost savings of the Combined Group, as well as taking into account factors they can influence, believe the Combined Group could deliver shareholder value through the expected realisation of approximately £7.3 million of gross pre-tax run-rate recurring annual cost synergies. These are expected to be realised primarily from consolidation of:

- *board, senior management, central and support functions and savings related to Capital & Regional’s status as a publicly traded company (which will no longer be required on a standalone basis), together with third party support, including professional advisory fees, which is expected to contribute approximately 85 per cent. (approximately £6.2 million) of the gross pre-tax run-rate recurring annual cost synergies; and*
- *head office and other operating infrastructure such as technology and IT, which is expected to contribute approximately 15 per cent. (approximately £1.1 million) of the gross pre-tax run-rate recurring annual cost synergies.*

Potential areas of dis-synergy have been considered by the NewRiver Directors, with the principal area of dis-synergy being income generated from property management services (equating to approximately £1.1 million per annum), which is assumed to cease on completion of the Combination because Capital & Regional provides these services to tenants but NewRiver intends to align this approach with its existing portfolio whereby these services are provided by a third party specialist. Potential cost savings associated with the outsourcing of these services have been reflected in the expected net pre-tax run-rate recurring annual cost synergy figure.

Accordingly, the NewRiver Directors believe that the Combined Group could deliver approximately £6.2 million of net pre-tax run-rate recurring annual cost synergies.

The majority of the above cost synergies are expected to be effective shortly following completion of the Combination and it is expected that the full benefit of the synergies will be unlocked within 12 months of completion of the Combination on an annualised basis.

The identified cost savings are contingent on the completion of the Combination and would not be achieved by either NewRiver or Capital & Regional independently. The estimated cost synergies referred to above reflect both the beneficial elements and the relevant costs.

The NewRiver Directors have considered one-off costs in connection with realising the expected cost synergies and estimated these to be approximately £2.9 million, which will predominantly be incurred in the first 12 months following completion. For the avoidance of doubt, this approximate £2.9 million is not factored into the £6.2 million of net pre-tax run-rate recurring annual cost synergies referred to above.

These statements of estimated cost savings and synergies relate to future actions or circumstances which, by their nature, involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the Code, the statements of estimated cost savings and synergies contained in this announcement are solely the responsibility of NewRiver and the NewRiver Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date

is also an intention, belief or expectation of the NewRiver Directors and not of the Capital & Regional Directors.

These statements are not intended as a profit forecast and should not be interpreted as such. No part of these statements, or this announcement generally, should be construed or interpreted to mean that the Combined Group's earnings in the first year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of NewRiver and/or Capital & Regional for the relevant preceding financial period or any other period.

Further information on the bases of belief supporting the Quantified Financial Benefits Statement, including the principal assumptions and sources of information, is set out below.

Bases of belief and principal assumptions

Following initial discussion regarding the Combination, senior NewRiver personnel have worked to identify, challenge, and quantify potential synergies as well as the potential costs to achieve and timing of such synergies. The assessment and quantification of potential synergies have been informed by NewRiver's management's industry expertise and knowledge.

In preparing the Quantified Financial Benefits Statement, Capital & Regional has shared certain operational and financial information to facilitate a detailed analysis in support of evaluating the potential synergies available from the creation of the Combined Group.

The NewRiver team has performed a bottom-up analysis of the costs included in the Capital & Regional financial information and has sought to include in the synergy analysis those costs which it believes will be either reduced or eliminated as part of the Combined Group.

The cost bases used as the basis for the quantified financial benefits exercise are the NewRiver full year expenses for the financial year ended 31 March 2024 and the Capital & Regional full year expenses for the year ended 30 December 2023. The NewRiver Directors have, in addition, made the following assumptions:

- The value of the Combined Group's property portfolio remaining at or above the 30 June 2024 external valuation of c. £0.9 billion (based on the property valuation reports for NewRiver prepared by Knight Frank and Colliers, as set out in Parts A and B of Appendix 4 to this announcement and the property valuation report for Capital & Regional prepared by Knight Frank, as set out in Part C of Appendix 4 to this announcement).
- NewRiver retains its status as a UK-REIT.
- There will be no material impact on the underlying operations of either NewRiver or Capital & Regional or their ability to continue to conduct their businesses after the de-duplication and rationalisation of listing, administrative and operational expenses.
- There will be no material change to the make-up of the Combined Group's portfolio for the purposes of this analysis.
- There will be no material change to macroeconomic, political, regulatory or legal conditions in the markets or regions in which NewRiver and Capital & Regional operate that will materially impact on the implementation or costs to achieve the proposed cost savings.
- There will be no change in tax legislation or tax rates or other legislation in the UK that could materially impact the ability to achieve any benefits.

Reports

As required by Rule 28.1(a) of the Code, BDO, as reporting accountant to NewRiver, and Jefferies, as lead financial adviser to NewRiver, have provided the opinions required under that Rule. Copies of these reports are included at Parts B and C of this Appendix 5. Each of BDO and Jefferies has given and not withdrawn its consent to the publication of its report in this announcement in the form and context in which it is included.

These statements are not intended as a profit forecast and should not be interpreted as such. These statements of estimated synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the estimated synergies referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Neither the Quantified Financial Benefits Statement nor any other statement in this announcement should be construed as a profit forecast or interpreted to mean that NewRiver's earnings in the first full year following the Effective Date, or in any subsequent period, will necessarily match or be greater than or be less than those of NewRiver or Capital & Regional for the relevant preceding financial period or any other period.

Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting synergies may be materially greater or less than those estimated.

Part B

REPORT FROM BDO ON NEWRIVER QUANTIFIED FINANCIAL BENEFITS STATEMENT



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
NewRiver REIT plc
89 Whitfield Street
London
W1T 4DE

24 September 2024

Jefferies International Limited
100 Bishopsgate London
EC2N 4JL

Dear Sir or Madam

NewRiver REIT plc (the "Company")

Proposed acquisition of Capital & Regional plc (the "Target")

We report on the quantified financial benefits statement (the "**Statement**") by the directors of the Company (the "**Directors**") included in Part A of Appendix 5 of the Rule 2.7 Announcement (the "**Announcement**") dated 24 September 2024 to the effect that:

"The NewRiver Directors, having undertaken a review and analysis of the potential cost savings of the Combined Group, as well as taking into account factors they can influence, believe the Combined Group could deliver shareholder value through the expected realisation of approximately £7.3 million of gross pre-tax run-rate recurring annual cost synergies. These are expected to be realised primarily from consolidation of:

- board, senior management, central and support functions and savings related to Capital & Regional's status as a publicly traded company (which will no longer be required on a standalone basis), together with third party support, including professional advisory fees, which is expected to contribute approximately 85 per cent. (approximately £6.2 million) of the gross pre-tax run-rate recurring annual cost synergies; and*
- head office and other operating infrastructure such as technology and IT, which is expected to contribute approximately 15 per cent. (approximately £1.1 million) of the gross pre-tax run-rate recurring annual cost synergies.*

Potential areas of dis-synergy have been considered by the NewRiver Directors, with the principal area of dis-synergy being income generated from property management services (equating to approximately £1.1 million per annum), which is assumed to cease on completion of the Combination because Capital & Regional provides these services to tenants but NewRiver intends to align this approach with its existing portfolio whereby these services are provided by a third party specialist. Potential cost savings associated with the outsourcing of these services have been reflected in the expected net pre-tax run-rate recurring annual cost synergy figure.

Accordingly, the NewRiver Directors believe that the Combined Group could deliver approximately £6.2 million of net pre-tax run-rate recurring annual cost synergies.

The majority of the above cost synergies are expected to be effective shortly following completion of the Combination and it is expected that the full benefit of the synergies will be unlocked within 12 months of completion of the Combination on an annualised basis.

The identified cost savings are contingent on the completion of the Combination and would not be achieved by either NewRiver or Capital & Regional independently. The estimated cost synergies referred to above reflect both the beneficial elements and the relevant costs.

The NewRiver Directors have considered one-off costs in connection with realising the expected cost synergies and estimated these to be approximately £2.9 million, which will predominantly be incurred in the first 12 months following completion. For the avoidance of doubt, this approximate £2.9 million is not factored into the £6.2 million of net pre-tax run-rate recurring annual cost synergies referred to above.

These statements of estimated cost savings and synergies relate to future actions or circumstances which, by their nature, involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the Code, the statements of estimated cost savings and synergies contained in this announcement are solely the responsibility of NewRiver and the NewRiver Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is also an intention, belief or expectation of the NewRiver Directors and not of the Capital & Regional Directors.

These statements are not intended as a profit forecast and should not be interpreted as such. No part of these statements, or this announcement generally, should be construed or interpreted to mean that the Combined Group's earnings in the first year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of NewRiver and/or Capital & Regional for the relevant preceding financial period or any other period."

Opinion

In our opinion, the Statement has been properly compiled on the basis stated.

The Statement has been made in the context of the disclosures in Part A of Appendix 5 of the Announcement setting out the basis of the Directors' belief (including the principal assumptions and sources of information supporting the Statement and their analysis and explanation of the underlying constituent elements).

This report is required by Rule 28.1(a) of the City Code on Takeovers and Mergers (the "**Code**") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the Directors to prepare the Statement in accordance with the requirements of Rule 28 of the Code.

It is our responsibility to form our opinion, as required by Rule 28.1(a) of the Code, as to whether the Statement has been properly compiled on the basis stated and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, 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 connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the City Code, consenting to its inclusion in the Announcement.

Basis of preparation of the Statement

The Statement has been prepared on the basis stated in Part A of Appendix 5 of the Announcement.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council ("**FRC**") in the United Kingdom. We are independent in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We have discussed the Statement, together with the basis of the Directors' belief, with the Directors and Jefferies International Limited. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Statement has been properly compiled on the basis stated.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We do not express any opinion as to the achievability of the benefits identified by the Directors in the Statement.

Since the Statement and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Yours faithfully

BDO LLP

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Part C

REPORT FROM JEFFERIES ON NEWRIVER QUANTIFIED FINANCIAL BENEFITS STATEMENT

Jefferies

The Board of Directors
NewRiver REIT plc
89 Whitfield Street
London
W1T 4DE

24 September 2024

Dear NewRiver Directors

Quantified Financial Benefits Statement of NewRiver REIT plc ("NewRiver")

We refer to the Quantified Financial Benefits Statement, the bases of belief thereof and the notes thereto (together, the "**Statement**") as set out in Part A of Appendix 5 of the Rule 2.7 announcement dated 24 September 2024 (the "**Announcement**"), for which the board of directors of NewRiver (the "**Directors**") are solely responsible under Rule 28.3 of the UK City Code on Takeovers and Mergers (the "**Code**").

We have discussed the Statement (including the assumptions, bases of calculation and sources of information referred to therein) with the Directors and those officers and employees of NewRiver who developed the underlying plans as well as with BDO LLP ("**BDO**"). The Statement is subject to uncertainty as described in the Announcement and our work did not involve an independent examination of any of the financial or other information underlying the Statement.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by or on behalf of NewRiver, or otherwise discussed with or reviewed by us, and we have assumed such accuracy and completeness for the purposes of providing this letter.

We do not express any view as to the achievability of the quantified financial benefits identified by the Directors in the Statement or otherwise.

We have also reviewed the work carried out by BDO and have discussed with them the opinion set out in Part B of Appendix 5 of the Announcement addressed to you and us on this matter and the bases of calculation for the Statement.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the Code and for no other purpose. We accept no responsibility to NewRiver or its shareholders or any person other than the Directors in respect of the contents of this letter. We are acting exclusively as financial advisers to NewRiver and no one else in connection with the offer by NewRiver for Capital & Regional referred to in the Announcement and it was for the purpose of complying with Rule 28.1(a)(ii) of the Code that NewRiver requested Jefferies International Limited to prepare this report on the Statement. No person other than the Directors can rely on the contents of this letter, and to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its contents or the work undertaken in connection with this letter or any of the results that can be derived from this letter or any written or oral information provided in connection with this letter, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

On the basis of the foregoing, we consider that the Statement, for which you as the Directors are solely responsible for purposes of Rule 28 of the Code, has been prepared with due care and consideration.

Yours faithfully,

Jefferies International Limited

APPENDIX 6

COMBINED GROUP DEBT POSITION

	NewRiver	Capital & Regional	Combined Group⁴
Gross debt	£304 million	£199 million	£444 million
Undrawn facilities	£100 million	£0 million	£100 million
Average cost of debt ¹	3.5%	4.3%	3.5%
Fixed or hedged ¹	100%	98%	100%
Unsecured ¹	100%	0%	68%
Weighted average maturity ¹	3.7 years	2.4 years	3.3 years
ICR ²	6.3x	3.6x	4.5x
Net debt/EBITDA	5.1x	7.2x	5.9x-6.0x
LTV ³	31%	46%	42-43%

Notes:

1. *Excludes £4 million of debt related to associates.*
2. *Calculated by comparing actual net property income received versus net cash interest payable on a 12 month look back basis.*
3. *Computed as net debt divided by Gross Asset Value (GAV).*
4. *Adjusted for the cash component of the consideration payable pursuant to the Combination, estimated transaction costs, the net proceeds of the Placing, the repayment of three Capital & Regional secured loan facilities totalling £59 million and net pre-tax run-rate recurring annual cost synergies of £6.2 million.*

APPENDIX 7

ADDITIONAL COMBINED GROUP PORTFOLIO INFORMATION

As at 30 June 2024¹	NewRiver	Capital & Regional	Combined Group
Portfolio Valuation (GAV)	£539 million ²	£350 million ³	£889 million ⁴
Contracted Rent	£52 million	£38 million	£90 million
Net Initial Yield (%)	7.3	7.7	7.4
Equivalent Yield (%)	8.6	8.4	8.5
Assets	41	6	47

Notes:

- All figures in table are approximate.*
- Based on the property valuation reports for NewRiver prepared by Knight Frank and Colliers, as set out in Parts A and B of Appendix 4 to this announcement.*
- Based on the property valuation report for Capital & Regional prepared by Knight Frank, as set out in Part C of Appendix 4 to this announcement.*
- Based on the property valuation reports for each of NewRiver and Capital & Regional prepared by Knight Frank and Colliers, as set out in Parts A, B and C of Appendix 4 to this announcement.*

APPENDIX 8

TOP 5 TENANTS INFORMATION

Tenant	NewRiver		Capital & Regional		Combined Group	
	<i>Tenant</i>	<i>% of rent</i>	<i>Tenant</i>	<i>% of rent</i>	<i>Tenant</i>	<i>% of rent</i>
Tenant 1	Poundland	3.3%	Boots	5.4%	Boots	3.7%
Tenant 2	B&M	2.9%	TK Maxx	3.1%	TK Maxx	2.4%
Tenant 3	Boots	2.4%	Next	2.5%	B&M	2.3%
Tenant 4	M&S	2.4%	Primark	2.2%	Poundland	2.1%
Tenant 5	Iceland	2.1%	H&M	2.2%	Superdrug	1.9%

APPENDIX 9

ADDITIONAL PROPERTY INFORMATION DISCLOSURES

Property	Gross lettable area (sq. ft.)	Vacancy rate (%)	Gross rent per sq. ft.
Hemel Hempstead	340,000	14.6	8.41
Ilford	310,000	10.2	14.75
Maidstone	430,000	9.5	9.06
The Gyle, Edinburgh	414,000	5.6	13.32
Walthamstow	290,000	5.0	16.02
Wood Green	630,000	1.1	17.22
Total	2,414,000	6.9	13.54

Property name	Location	Effective date of acquisition	Gross lettable area (m ²)	Gross rental (annum/m ²) (GBP)	Property value as at 30 June 2024 ¹ (GBP'm)
Hemel Hempstead	London	5 February 2016	31 587	90.56	9.8
Ilford	London	7 March 2017	28 800	158.76	62.3
Maidstone	London	14 July 2014	39 948	97.55	31.3
Gyle	Edinburgh	6 September 2023	38 462	143.42	42.0
Walthamstow	London	14 July 2014	26 942	172.41	77.0
Wood Green	London	14 July 2014	58 529	185.35	152.5
Total			224 268	145.73	374.9

1. *Property values are as per Capital & Regional's June 2024 annual financial results. As part of the Combination, independent valuations were performed by both Knight Frank and CBRE. As at 30 June 2024, CBRE valued Capital & Regional's portfolio at £375 million (based on the property valuation report on Capital & Regional's portfolio prepared by CBRE, as set out in Part D of Appendix 4 to this announcement). As at 30 June 2024, Knight Frank valued Capital & Regional's portfolio at £350 million (based on the property valuation report on Capital & Regional's portfolio prepared by Knight Frank, as set out in Part C of Appendix 4 to this announcement).*

APPENDIX 10

DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

Admission	admission of the New NewRiver Shares to be issued pursuant to the Combination (i) to trading on the Main Market of the London Stock Exchange becoming effective in accordance with the LSE Admission Standards; and (ii) to listing on the Equity Shares (Commercial Companies) category of the Official List becoming effective in accordance with the UK Listing Rules;
BDO	BDO LLP, a limited liability partnership registered in England and Wales (with registered number OC305127);
Business Day	any day (excluding any Saturday or Sunday or any public holiday in England and Wales and South Africa) on which banks in the City of London and Johannesburg are generally open for business;
Capital & Regional	Capital & Regional plc, a public limited company incorporated in England and Wales with company number 01399411 and whose registered office is at 138-142 Strand, Strand Bridge House, London WC2R 1HH;
Capital & Regional Additional Distribution	has the meaning given to it in paragraph 15 of this announcement;
Capital & Regional Additional Dividend	has the meaning given to it in paragraphs 2 and 15 of this announcement;
Capital & Regional Board	the board of Capital & Regional Directors as at the date of this announcement or, where the context so requires, the board of Capital & Regional Directors from time to time;
Capital & Regional Confidentiality Agreement	the confidentiality agreement entered into between Capital & Regional and NewRiver in relation to the Combination dated 4 June 2024, a summary of which is set out in paragraph 14 of this announcement;
Capital & Regional Directors	the directors of Capital & Regional as at the date of this announcement or, where the context so requires, the directors of Capital & Regional from time to time;
Capital & Regional Forms of Proxy	the forms of proxy for use in connection with each of the Court Meeting and the Capital & Regional General Meeting, which shall accompany the Scheme Document;
Capital & Regional General Meeting	the Capital & Regional General Meeting of Capital & Regional Shareholders to be convened in connection with the Scheme to consider and, if thought fit, to approve the Capital & Regional Resolution(s) (with or without amendment), including any adjournment, postponement or reconvening thereof;
Capital & Regional Group	Capital & Regional and its subsidiaries and subsidiary undertakings from time to time;

Capital & Regional Interim Dividend	has the meaning given to it in paragraphs 2 and 15 of this announcement;
Capital & Regional Meetings	the Court Meeting and the Capital & Regional General Meeting;
Capital & Regional Resolution(s)	the resolution(s) to be proposed at the Capital & Regional General Meeting necessary to approve and implement the Scheme, including a resolution authorising the Capital & Regional Board to take all actions as it may consider necessary or appropriate to give effect to the Scheme, a resolution to amend the Articles by the adoption and inclusion of a new article under which any Capital & Regional Shares issued or transferred after the Scheme Record Time (other than to NewRiver and/or its nominees) shall be automatically transferred to NewRiver (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the Capital & Regional Shares so transferred or issued) on the same terms as the Combination (other than terms as to timings and formalities);
Capital & Regional Shareholders	the registered holders of Capital & Regional Shares from time to time;
Capital & Regional Share Award	an option to acquire Capital & Regional Shares granted pursuant to the Capital & Regional Share Plans;
Capital & Regional Share Plans	(a) the Capital & Regional plc 2018 Long Term Incentive Plan; and (b) the Capital & Regional plc Combined Incentive Plan;
Capital & Regional Shares	the ordinary shares of 10 pence each in the capital of Capital & Regional from time to time;
CBRE	CBRE Limited;
Closing Price	the closing middle market price of a share as derived from the Daily Official List on any particular date;
Code	the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;
Colliers	Colliers International Property Consultants Limited;
Combination	the proposed acquisition of the entire issued and to be issued ordinary share capital of Capital & Regional by NewRiver (other than the Excluded Shares) to be implemented by way of the Scheme or, should NewRiver so elect (with the consent of the Panel) by way of the Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
Combined Group	the NewRiver Group as enlarged by the Capital & Regional Group following completion of the Combination;

Companies Act	the Companies Act 2006, as amended from time to time;
Conditions	the conditions to the Combination, as set out in Appendix 1 to this announcement and to be set out in the Scheme Document;
Co-operation Agreement	the agreement dated 24 September 2024 between NewRiver and Capital & Regional relating to, among other things, the implementation of the Combination, as described in paragraph 14 of this announcement;
Court	the High Court of Justice in England and Wales;
Court Meeting	the meeting or meetings of the Scheme Shareholders convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment or postponement thereof;
CREST	the relevant system (as defined in the CREST Regulations), in respect of which Euroclear UK & International Limited is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018);
Daily Official List	the daily official list of the London Stock Exchange;
Dealing Disclosure	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer;
Deutsche Numis	Numis Securities Limited, joint financial adviser, joint Rule 3 adviser and joint corporate broker to Capital & Regional;
Disclosed	in respect of Capital & Regional: (a) information disclosed by, or on behalf of, Capital & Regional (i) in Capital & Regional's annual report and financial statements for the 12 months ended 30 December 2023; (ii) in the interim report and results of the Capital & Regional Group for the six month period ended on 30 June 2024; (iii) in this announcement; (iv) to NewRiver or NewRiver's advisers via management meetings held in connection with the Combination; (b) information fairly disclosed in writing between NewRiver and Capital & Regional and their respective professional advisers prior to the date of this announcement by, or on behalf of, Capital & Regional to NewRiver (or their respective officers, employees, agents or advisers in their capacity as such), including in the virtual data room, prior to 6.00 p.m. on the Last Practicable Date, operated on behalf of Capital & Regional and which NewRiver and its advisers are able to access in respect of the Combination; and (c) as otherwise publicly announced by Capital & Regional prior to the date of this announcement (by the

delivery of an announcement to a Regulatory Information Service);

Effective

either:

(a) if the Combination is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or

(b) if the Combination is implemented by way of a Takeover Offer (with Panel consent), the Takeover Offer having been declared, or having become, unconditional in accordance with the requirements of the Code;

Effective Date

the date on which the Combination becomes Effective;

EPRA

European Public Real Estate Association;

Excluded Shares

any Capital & Regional Shares:

(a) registered in the name of, or beneficially owned by, NewRiver or any member of the Wider NewRiver Group or their respective nominees; or

(b) held in treasury by Capital & Regional,

in each case at the relevant time;

FCA

the Financial Conduct Authority;

FSMA

the Financial Services and Markets Act 2000, as amended from time to time;

Growthpoint

Growthpoint Properties Limited;

ICR

interest cover ratio;

Independent Capital & Regional Directors

the Capital & Regional Directors other than Norbert Leon Sasse and Panayiotis (Panico) Theocharides;

Initial Rule 2.4 Announcement

the announcement made by Capital & Regional on 23 May 2024 relating to a possible offer by, amongst others, NewRiver for Capital & Regional in accordance with Rule 2.4 of the Code;

ISIN

the International Securities Identification Number;

Jefferies

Jefferies International Limited, lead financial adviser, and joint corporate broker to NewRiver;

Johannesburg Stock Exchange or JSE

The JSE Limited, a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the South African Financial Markets Act, 19 of 2012, or the securities exchange operated by JSE Limited, as the context indicates;

Joint Brokers

Panmure Liberum, Jefferies and Shore Capital;

JSE	the Johannesburg Stock Exchange;
JSE Listing Requirements	The Listing Requirements issued by the Johannesburg Stock Exchange from time to time;
Kinmont	Kinmont Limited, joint financial adviser to NewRiver;
Knight Frank	Knight Frank LLP;
Last Practicable Date	close of business on 23 September 2024, being the last Business Day immediately prior to the date of this announcement;
London Stock Exchange	London Stock Exchange plc;
Long Stop Date	30 April 2025, or such later date as may be agreed in writing between NewRiver and Capital & Regional (with the Panel's consent and as the Court may allow, if such consent and/or approval is/are required);
LTV	loan-to-value: the outstanding amount of a loan as a percentage of property value;
Main Market	the London Stock Exchange's main market for listed securities;
Market Abuse Regulation	Regulation (EU) No 596/2014 and the delegated acts, implementing acts, technical standards and guidelines thereunder as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time;
New NewRiver Shares	the NewRiver Shares proposed to be allotted and issued to Scheme Shareholders in connection with the Scheme;
NewRiver	NewRiver REIT plc, a public limited company incorporated in England and Wales with company number 10221027 and whose registered office is at 89 Whitfield Street, London W1T 4DE;
NewRiver Additional Resolutions	the shareholder resolutions to be proposed at the NewRiver General Meeting to grant authority to the NewRiver Directors to allot new NewRiver Shares on a non pre-emptive basis on an ongoing basis until the conclusion of NewRiver's annual general meeting in 2025;
NewRiver Board	the board of directors of NewRiver as at the date of this announcement or, where the context so requires, the board of directors of NewRiver from time to time;
NewRiver Combination Resolution(s)	the shareholder resolution(s) to be proposed at the NewRiver General Meeting to grant authority to the NewRiver Directors to allot New NewRiver Shares in connection with the Combination;
NewRiver Confidentiality Agreement	the confidentiality agreement entered into between NewRiver and Capital & Regional in relation to the Combination dated 24 June 2024, a summary of which is set out in paragraph 14 of this announcement;

NewRiver Directors	the directors of NewRiver as at the date of this announcement or, where the context so requires, the directors of NewRiver from time to time;
NewRiver Forms of Proxy	the forms of proxy for use in connection with the NewRiver General Meeting, which shall accompany the Prospectus;
NewRiver General Meeting	the general meeting of NewRiver Shareholders to be convened, amongst other things, to consider and, if thought fit, to approve the NewRiver Resolution(s) (with or without amendment), including any adjournment, postponement or reconvening thereof, and currently expected to be held in November 2024;
NewRiver Group	NewRiver and its subsidiaries and subsidiary undertakings from time to time;
NewRiver Interim Dividend	has the meaning given in paragraph 2 of this announcement;
NewRiver Resolutions	the NewRiver Combination Resolution(s) and the NewRiver Additional Resolutions;
NewRiver Shareholders	the holders of NewRiver Shares;
NewRiver Shares	the ordinary shares of one pence each in the capital of NewRiver;
Offer Document	if (with the consent of the Panel, as applicable) NewRiver elects to implement the Combination by way of the Takeover Offer, the document to be sent to Capital & Regional Shareholders which will contain, <i>inter alia</i> , the terms and conditions of the Takeover Offer;
Offer Period	the offer period (as defined in the Code) relating to Capital & Regional commencing on 23 May 2024 and ending on the earlier of the Effective Date and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide);
Offer Period Last Practicable Date	close of business on 22 May 2024, being the last Business Day immediately prior to the date of the Initial Rule 2.4 Announcement;
Official List	the Official List of the FCA;
Overseas Shareholders	Capital & Regional Shareholders (or a nominee of, or custodian or trustee for, Capital & Regional Shareholders) who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
Panmure Liberum	Panmure Liberum Limited, sole sponsor and joint corporate broker to NewRiver;
Quantified Financial Benefits Statement	the statements of estimated cost savings and synergies arising out of the Combination set out in Appendix 5 to this announcement;
Panel	the UK Panel on Takeovers and Mergers;

Placing	the placing of new NewRiver Shares announced on 18 September 2024 pursuant to which NewRiver raised net proceeds of £48.9 million, in aggregate;
Prospectus	the combined circular and prospectus to be published by NewRiver and to be sent to NewRiver Shareholders outlining, amongst other things, the Combination and containing the notice convening the NewRiver General Meeting and information on NewRiver, the Combined Group, Admission and the New NewRiver Shares;
Registrar of Companies	the Registrar of Companies in England and Wales;
Regulatory Information Service	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
REIT	a real estate investment trust, being a company or group to which Part 12 of the CTA 2010 applies (including, where relevant, a REIT Group);
Restricted Jurisdiction	any jurisdiction into which, or from which, sending any documents in connection with the Combination and/or effecting the Combination, or any information relating to the Combination, available would violate the local laws or regulations of that jurisdiction resulting in a significant risk of civil, regulatory or criminal exposure;
Scheme	the proposed scheme of arrangement under Part 26 of the Companies Act between Capital & Regional and Scheme Shareholders to implement the Combination, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Capital & Regional and NewRiver;
Scheme Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
Scheme Document	the document to be dispatched to Capital & Regional Shareholders in connection with the Scheme containing, amongst other things, the notices convening the Capital & Regional Meetings and including the particulars required by section 897 of the Companies Act;
Scheme Record Time	the time and date specified as such in the Scheme Document, by reference to which the entitlements of Scheme Shareholders under the Scheme will be determined, expected to be 6.00 p.m. on the Business Day immediately after the date of the Scheme Sanction Hearing, or such later time as NewRiver and Capital & Regional may agree;
Scheme Sanction Hearing	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act, including any adjournment thereof;
Scheme Shareholders	holders of Scheme Shares;
Scheme Shares	all Capital & Regional Shares;

- (a) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time;
- (b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time and which remain in issue at the Scheme Record Time; and
- (c) (if any) issued at or after the Voting Record Time and at or prior to the Scheme Record Time on terms that the original or any subsequent holder thereof is bound by the Scheme, or in respect of which their holders are, or shall have agreed in writing to be, bound by the Scheme and which remain in issue at the Scheme Record Time,

but, in each case, excluding any Excluded Shares;

SENS	the Stock Exchange News Service of the Johannesburg Stock Exchange;
Shore Capital	Shore Capital Stockbrokers Limited, joint corporate broker to NewRiver;
South Africa	the Republic of South Africa;
South African Register	the branch register of Capital & Regional Shareholders maintained by or on behalf of Capital & Regional pursuant to its secondary listing on the JSE;
Stifel	Stifel Nicolaus Europe Limited, joint financial adviser, joint Rule 3 adviser and joint corporate broker to Capital & Regional;
STRATE	the settlement and clearing system used by the Johannesburg Stock Exchange, managed by Strate Proprietary Limited, a limited liability company duly incorporated and registered under the laws of South Africa under registration number 1998/022242/07, and licensed as a central securities depository under the South African Financial Markets Act, 19 of 2012;
Substantial Interest	a direct or indirect interest in 20 per cent. or more of the voting equity share capital of an undertaking;
Takeover Offer	if (with the consent of the Panel as applicable) NewRiver elects to implement the Combination by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of NewRiver to acquire the entire issued and to be issued ordinary share capital of Capital & Regional and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
UFFO	underlying funds from operations;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;

UK Listing Rules	the UK listing rules, made by the FCA under Part 6 of FSMA, as amended from time to time, and the UK Listing Rules Instrument 2024 (FCA 2024/23);
uncertified or in uncertificated form	a share or other security title to which is recorded in the relevant register of the share or security as being held in uncertificated form, in CREST, and title to which, by virtue of the CREST Regulations may be transferred by means of CREST;
US Exchange Act	the US Securities Exchange Act 1934, as amended, and the rules and regulations promulgated thereunder;
Voting Record Time	the time and date specified as such in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined;
VWAP	volume-weighted average share price;
Wider NewRiver Group	NewRiver, its subsidiary undertakings and associated undertakings (including any joint venture, partnership, firm or company) in which NewRiver and/or such undertakings (aggregating their interests) have a Substantial Interest; and
Wider Capital & Regional Group	Capital & Regional, its subsidiary undertakings and associated undertakings (including any joint venture, partnership, firm or company) in which Capital & Regional and/or such undertakings (aggregating their interests) have a Substantial Interest.

All references to time in this announcement are to London time unless otherwise stated.

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All references to "**South African Rand**" are to the lawful currency of South Africa.

A reference to "**includes**" shall mean "**includes without limitation**", and references to "**including**" and any other similar term shall be construed accordingly.

For the purposes of this announcement, "**subsidiary**", "**subsidiary undertaking**", "**undertaking**" and "**equity share capital**" have the meanings given by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement.

References to the singular include the plural and vice versa.

24 September 2024

JSE sponsor



Notes to editors:**About Capital & Regional plc**

Capital & Regional is a UK focused retail property REIT specialising in community shopping centres that dominate their local catchment, serving the non-discretionary and value orientated needs of the local communities. It has a track record of delivering value enhancing retail and leisure asset management opportunities across a portfolio of tailored in-town community shopping centres.

Using its expert property and asset management platform Capital & Regional owns and manages community shopping centres in Edinburgh, Hemel Hempstead, Ilford, Maidstone, Walthamstow and Wood Green.

Capital & Regional is listed on the main market of the London Stock Exchange (LSE) and has a secondary listing on the Johannesburg Stock Exchange (JSE).

For further information, see www.capreg.com.