

28 September 2021

DRUM Income Plus REIT plc

Level 13, Broadgate Tower
20 Primrose Street
London
EC2A 2EW

Dickson Minto W.S. (“DM W.S.”)

16 Charlotte Square
Edinburgh
EH2 4DF

(the **Addressees**)

Dear Sirs,

**DRUM INCOME PLUS REIT PLC
VALUATION REPORT AS AT 30 JUNE 2021**

1. INSTRUCTIONS

In accordance with instructions received from DRUM Income Plus REIT plc (“**DRIP REIT plc**”) and Dickson Minto W.S. (“**DM W.S.**”), and subject to the terms of the engagement letter dated 8 September 2021 (Engagement Letter), we have undertaken a valuation (the “Valuation”) of the properties described in Schedules A, B & C (the “**Properties**”) (together the “**Portfolio**”).

We understand that this Valuation Report and Schedules (together, the “**Valuation Report**”) is required for inclusion in a Scheme Circular in connection with the proposed recommended all-share acquisition of DRUM Income Plus REIT plc by Custodian REIT which is to be implemented by way of a Court sanctioned Scheme of Arrangement.

It is important that this Valuation Report is not used out of context or for purposes for which it was not intended. We shall have no responsibility or liability to any party in the event that the Report is used outside of the purposes for which it was intended, or outside of the restrictions on its use set out in our Engagement Letter. This Valuation Report is for the use only of the parties to whom it is addressed 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.

This Valuation Report has been prepared in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together with the UK National Supplement effective 14 January 2019, together the “Red Book”. The Valuation Report has also been prepared in accordance with the requirements of Rule 29 of the City Code on Takeovers and Mergers (the “Code”).

2. DATE OF VALUATION

Our opinions of Market Value in respect of each Property are as at 30 June 2021 (the “**Valuation Date**”).

3. MATERIAL CHANGE

Whilst there have been a number of minor amendments to the tenancy data subsequent to the valuation date, the majority of the changes are not material from a valuation perspective. However, for completeness, we have outlined below the notable changes that have occurred since 30th June 2021:

Lakeside 5500, Cheadle Royal Business Park, Cheadle: the principal tenant, Agilent Technologies LDA UK Limited, has extended its lease on the following terms:

- 10 year lease extension commencing 25th March 2022
- Tenant break option on 24th March 2027
- Contracted rent of £350,714 per annum from 25th March 2022
- The tenant will pay half rent for a 15 month period commencing 25th March 2022
- If the tenant does not exercise its break option at year five, it will pay half rent for a six month period
- The rent is subject to an upward only rent review to Market Rent on 25th March 2027

At our valuation date, terms had been agreed for this lease extension albeit the transaction was not documented until the 14th September 2021.

Our opinion of Market Value in respect of this property as at 30 June 2021 was £5,400,000. With the lease extension now documented, we are of the opinion that the current Market Value of the property has increased to £6,250,000. Whilst this represents a 15.74% uplift in value for this property alone, the percentage increase in the context of the aggregate portfolio value is modest.

Monteith House, 11 George Square, Glasgow: DRIP REIT has made us aware of a potential claim from the tenant, The Skills Development Scotland Co. Limited, regarding issues associated with the building that it believes should be remedied by the landlord. DRIP REIT inform us that the approximate cost of the claim is in the region of £250,000, albeit the tenant is yet to provide a budget for the requisite works.

Whilst we are yet to receive any legal input regarding the validity of this potential claim, we are of the opinion that £250,000 should be deducted from the value reported at 30 June 2021 as a day one capital sum to reflect this potential cost. The resultant reduction in value is largely offset by rental growth in the Glasgow market and consequently the change to the current Market Value is modest in the context of the portfolio.

Burnside Industrial Centre, Dyce, Aberdeen: DRIP REIT is underway with the demolition of the office pavilion. This building had reached the end of its economic life and its impending demolition had been incorporated in our valuation as at 30 June 2021. As a result, the demolition of this building does not have a negative impact on our valuation.

Whilst the items outlined above are important to reference, the impact of these changes on value in the context of the aggregate portfolio total is modest. We can confirm that the aggregate value of the Portfolio has not increased or decreased by more than 5% since 30 June 2021.

4. TERMS OF REFERENCE

The portfolio comprises ten properties held for investment purposes and located throughout the UK. Seven are held freehold/heritable, one is held part freehold/part leasehold and two are held long leasehold (over 50 years). The Properties comprise a mix of retail, office and industrial assets that provide diversified income with scope to add value through active asset management.

Schedules A, B & C provide brief details of each of the properties, the associated terms of tenure, occupational tenancy overview and details of the contracted rents payable together with the gross passing rents, as well as Market Values, as at 30 June 2021.

5. SOURCES OF INFORMATION

In undertaking our valuations we have been provided with, and have relied upon, information supplied to us by DRIP REIT and its advisors. We have assumed that this information is full and correct. It follows that if it is found to contain errors then our opinions of value may change. Some information we consider material may not have been provided to us.

Legal Documentation: We have relied on historic Reports on Title and Lease prepared by DRIP REIT's legal advisors, Messrs Brodies LLP, in connection with its respective acquisitions of the Properties. Any information pertaining to subsequent tenancy changes has been provided by DRIP REIT together with its managing agent, Savills (UK) Limited. We have access to DRIP REIT's legal dataroom, which is managed by Brodies LLP and have sought to verify key tenancy changes by reviewing a sample of the legal documentation. Note that from our sample of legal documentation extracted from the dataroom and reviewed, no abnormalities were observed.

We have assumed that all the Properties have good and marketable title, free from any onerous or restrictive conditions. We have further assumed that DRIP REIT has in no way diluted its respective titles in a manner that could have a detrimental impact on the marketability and value of the Properties.

We have not undertaken credit enquiries into the financial status of the tenants. Unless we have become aware by general knowledge or we have been specifically advised to the contrary (as noted in the relevant sections of the Schedules), we have assumed that the tenants are capable of meeting all of their obligations under the terms of their leases.

Inspections: We have carried out inspections of each of the Properties to the extent necessary to undertake the valuations, with the dates of our most recent inspections noted below.

• Burnside Industrial Centre, Dyce, Aberdeen	15 September 2021
• Monteith House, 11 George Square, Glasgow	10 September 2021
• Lochside House, 3 Lochside Way, Edinburgh	15 September 2021
• Mayflower House, Team Valley Trading Estate, Gateshead	23 August 2021
• Duloch Park, Dunfermline	13 September 2021
• Gosforth Shopping Centre, Newcastle upon Tyne	23 August 2021
• Lakeside 5500, Cheadle Royal Business Park, Cheadle	25 June 2021
• Eastern Avenue Retail Park, 108 Eastern Avenue, Gloucester	15 September 2021
• Arthur House, Chorlton Street, Manchester	25 June 2021
• Kew Retail Park, Southport Road, Southport	13 September 2021

We did not carry out a structural survey, test the services or inspect the woodwork or other parts of the structures which are covered, unexposed or inaccessible. As agreed, except where you have advised us to the contrary, we have assumed that there have been no material changes to any of the properties or their surroundings that could have a material effect on the value of the each interest since our inspections.

Floor Areas: Savills measured Lochside House, Edinburgh Park and Burnside Industrial Centre, Dyce as part of its diligence when DRIP REIT acquired the assets in Quarter 2 of 2016. With the exception of these properties, we have relied upon the floor area measurements undertaken by DRIP REIT's acquiring agents. We understand that these were calculated in accordance with the RICS Code of Measuring Practice applicable at the time of the respective acquisitions.

Building Surveys: We have been provided with, and have relied upon, historic building surveys for each of the Properties produced by Hunter Brook Limited, OBI Property or Savills (UK) Limited. Information pertaining to expenditure incurred since the respective reports were commissioned has been provided to us by DRIP REIT. We have assumed that such figures are accurate and our valuations take such expenditure into account. We have assumed that all works undertaken as part of its asset management initiatives have obtained and complied with the requisite consents.

During our inspections, no tests were carried out pertaining to the electrical, electronic, heating, plant and machinery equipment or any other services, nor have the drains been tested. Unless otherwise informed by DRIP REIT, we have made the assumption that all services to the Properties are in good functioning condition.

We have not undertaken or been instructed to undertake any formal condition or structural surveys, however, where building deficiencies were identified during our inspections, this was reflected in our valuations.

Energy Performance Certificates: We have reviewed EPC ratings for each property as part of our diligence.

Environmental Surveys: We have been provided with, and have relied upon, historic Phase 1 Environmental Assessment surveys produced by Delta Simons or Energised Environments Limited. These reports were procured in advance of DRIP REIT acquiring the Properties.

We have not undertaken or been instructed to conduct a formal environmental assessment to determine ground conditions at our valuation date. It is in this context that we have assumed that ground conditions in respect of the Properties and nearby sites have not changed since the assessments undertaken by Delta Simons or Energised Environments Limited were procured.

Planning: We have made verbal/web based enquires of the appropriate Town Planning and Highways Authorities in respect of matters affecting the Properties, where considered appropriate, although this information was given to us on the basis that it may not be relied upon.

We have not seen specific planning consents and, other than where referred to within reports/certificates on title, have assumed that the Properties have been erected and are being occupied and used in accordance with all requisite consents and that there are no outstanding statutory notices. No allowances have been made for rights, obligations or liabilities arising under the Defective Premises Act 1972

6. STATUS OF VALUER

This valuation has been prepared by a number of surveyors under the supervision of Craig Timney MRICS. We confirm that they are all RICS Registered Valuers and have the knowledge, skills and understanding to undertake this valuation competently and we are acting in the capacity of External Valuer as defined in the Red Book.

We are required by the Red Book to disclose the following:

- Savills (UK) Limited have been retained by the Company to value its Properties on a quarterly basis for performance purposes since April 2015. Craig Timney MRICS and Robert Grant MRICS are responsible for this particular instruction.
- Seven of the properties were valued by Savills Advisory Services Limited for inclusion in an Admission Document, published in connection with the market listing of Drum Income Plus REIT plc. Our opinions of Market Value in respect of each Property were as at 31 December 2015 (with the exception of Arthur House, Manchester and Eastern Avenue Retail Park, Gloucester which we valued as at 9 February 2016).
- Savills (UK) Limited provides property management services for all of the Properties held by the Company.
- Savills (UK) Limited currently value part of the Custodian REIT fund. However, we confirm that the valuers who carry out the valuation work in connection with this instruction have no involvement in the valuation of the Custodian REIT fund and therefore we do not consider that this creates a direct conflict of interest.
- In the 12 month period preceding the date of this Summary Valuation Report, the total fees payable by the Company, including for this instruction, were less than 5% of the total combined turnover of Savills Advisory Services Limited and Savills (UK) Limited.



We do not consider that any of the above constitutes a conflict of interest or in any way conflicts with our responsibility to provide an independent and objective opinion of value in accordance with the RICS Valuation – Global Standards 2020 (the “Red Book”).

7. VALUATION

Basis of Valuation

Our valuations have been prepared in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together, where applicable, with the UK National Supplement effective 14 January 2019, together the “Red Book”. In undertaking our valuations, we have adopted the definition of Market Value as defined in the RICS Red Book, as detailed below:

Market Value (MV) 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.”

We confirm that our Valuations have been undertaken in accordance with the International Valuation Standards (IVS).

We have adopted the Investment method of valuation in conjunction with the Comparable method in undertaking our valuations.

We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of a Property, nor have we allowed for any adjustment to any of the Properties’ income streams to take into account any tax liabilities that may arise. We have excluded from our valuations any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupiers. Our valuations are exclusive of VAT (if applicable).

No allowance has been made for rights, obligations or liabilities arising in relation to fixed plant and machinery and it has been assumed that all fixed plant and machinery and the installation thereof complied with the relevant EEC legislation.

8. MARKET VALUE

We are of the opinion that the aggregate Market Value of the Properties in the Portfolio, as at 30 June 2021, is:

Properties held for investment:

Freehold/Heritable	£31,325,000
Part Freehold/Part Long Leasehold	£10,000,000
Long Leasehold (over 50 years)	£7,575,000
TOTAL	£48,900,000

(FORTY EIGHT MILLION NINE HUNDRED THOUSAND POUNDS)

The total valuation figure reported is the aggregate total of the individual properties and not necessarily a figure that could be achieved if the portfolio was sold as a single holding. Our valuations include standard purchaser’s costs but do not include costs of realisation.

The largest property in the portfolio by value is Gosforth Shopping Centre, Newcastle upon Tyne, which represents 20.45% of the total value.

9. RESTRICTION ON USE, DISTRIBUTION OR PUBLICATION

Our Report shall be confidential to, and for the use only of, the Addressees and no responsibility shall be accepted to any third party for the whole or any part of its contents.

Neither the whole nor any part of our Report or any reference to it may be included in any published document, circular or statement, nor published, reproduced, referred to or used in any way without our prior written approval (with such approval to be given or withheld at our absolute discretion).

Notwithstanding the foregoing, a Section 2.7 announcement has already been published and did not include our Report. We consent in principle to our Report or a summary of our Report being included within the Scheme of Arrangement, provided that:

- (a) the Report or any summary shall not be published until such time as we have first approved the form and context in which the Report or summary appears (such approval not to be unreasonably withheld or delayed) and are satisfied that the Report has been accurately reproduced or the summary is sufficiently accurate and comprehensive (as the case may be);
- (b) the Materials shall make clear that, with the exception of the Report or summary, Savills does not accept any responsibility for any part of the Materials or any other information issued by DRUM Income Plus REIT plc or Dickson Minto W.S. or any other person in connection with the Proposed Transaction;
- (c) such Report or summary complies in all respects with the requirements of the Red Book and any applicable regulations or directives; and
- (d) if, in our opinion, any part of our Report becomes misleading or inaccurate between the date of issue of the Report and the date of issue of any Materials we reserve the right to withdraw our consent to your use of our Report or the summary unless and until we have made such amendments to it as we (acting reasonably and without undue delay) deem necessary or desirable, notwithstanding that our doing so may necessitate deferral of publication of the relevant materials.
- (e) You shall indemnify and hold us harmless from and against all claims, actions, proceedings, investigations, demands, judgments and awards (together "Claims") which may be instituted, made, threatened or alleged against or otherwise involve us and all losses, liabilities, damages, costs, charges and expenses (together "Losses") which may be suffered or incurred by us, and which in any such case arise, directly or indirectly, out of or in connection with the inclusion of our Report or a summary of our Report in the Materials including (without limitation) all Losses which we may incur in investigating, disputing or defending, or providing evidence in connection with, any Claim (whether or not we are an actual or potential party to such Claim) or in establishing or enforcing our rights under this paragraph, which shall be additional to and without prejudice to any rights which we may have at common law or otherwise.
- (f) We shall not be entitled to be indemnified in respect of Claims or Losses to the extent that such Claims or such Losses are finally judicially determined to have arisen as a result of our wilful default or fraud.

10. MATERIAL VALUATION UNCERTAINTY

Market conditions explanatory note: Novel Coronavirus (COVID-19)

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

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

11. CONFIDENTIALITY

The contents of this Valuation Report and Valuation may be used for the specific purpose to which they refer. Neither the whole nor any part of this Valuation Report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

We accept responsibility for the information within this Valuation Report and Valuation and declare that to the best of our knowledge (having taken all reasonable care to ensure that such is the case) the information contained in the Valuation Report and Valuation is in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

A handwritten signature in black ink, appearing to read "Craig Timney".

Craig Timney MRICS
Director, Head of Valuation Scotland
RICS Registered Valuer

A handwritten signature in black ink, appearing to read "Graeme Fraser".

Graeme Fraser MRICS
Director
RICS Registered Valuer

A handwritten signature in black ink, appearing to read "Robert Grant".

Robert Grant MRICS
Associate Director
RICS Registered Valuer

For an on behalf of Savills Advisory Services Limited

SCHEDULE A:

FREEHOLD/HERITABLE PROPERTY IN THE UK HELD FOR INVESTMENT

Address	Description	Approx Age	Tenancies	Market Value 30 June 2021
Duloch Park, Dunfermline, KY11 4QX	<p>Duloch Park comprises a neighbourhood retail and leisure scheme constructed in 2008 and consisting of 12 units extending to 16,775 sq ft (1,558.5 sq m). The property occupies a prominent position at the junction of Greenshank Drive and Turnstone Road adjacent to a 70,000 sq ft, Tesco Extra superstore and a 16,500 sq ft Aldi foodstore.</p> <p>The property is predominantly constructed over a single level with 'book ends' arranged over two storeys to the 'outer end' two units of each terrace. The tenants have fitted out their units in accordance with their trading and branding requirements.</p> <p>Car parking is provided to the front of the property with 58 spaces in total.</p>	2008	<p>The property is fully let under 12 separate occupational leases and generates a gross passing rent of £372,418 per annum. The gross contracted rent is £375,418 per annum. The modest disparity between the gross passing rent and gross contracted rent is a result of the stepped rental uplift incorporated in the British Red Cross lease.</p> <p>The property provides a diversified spread of income with key tenants including Greggs, Lloyds Pharmacy, Subway and Indigo Sun. The largest tenant is Barrhead Travel Services Limited whom account for circa 17.31% of the gross contracted rent.</p> <p>The weighted average unexpired lease term certain is 4.11 years based on the gross contracted rent. This increases to 5.08 years excluding tenant break options. Passing rents reflect between £23.16 per sq ft and £29.46 per sq ft. Rent reviews are five yearly and are typically drafted on an upwards only basis to Market Rent.</p> <p>Leases are generally drafted on an effective Full Repairing and Insuring basis, with the cost of repairs to common areas recoverable from the tenants through the service charge regime.</p> <p>A number of leases incorporate service charge caps and at our valuation date non-recoverable costs total £2,032 per annum.</p>	£4,100,000

SCHEDULE A (Continued):

FREEHOLD/HERITABLE PROPERTY IN THE UK HELD FOR INVESTMENT

Address	Description	Approx Age	Tenancies	Market Value 30 June 2021
<p>Monteith House, 11 George Square, Glasgow, G2 1DY</p>	<p>The property comprises a six storey over basement Category B Listed building that provides approximately 27,067 sq ft (2,514.59 sq m) of office accommodation and seven car parking spaces at basement level.</p> <p>Occupying a prominent mid-terrace position on the south side of George Square in Glasgow city centre, the property provides well configured office accommodation.</p> <p>The tenant, The Skills Development Scotland Co. Limited, is undertaking a comprehensive refurbishment of the building subsequent to its recent lease extension over the property in its entirety.</p>	<p>Redeveloped behind a retained façade in 1996</p>	<p>Excluding the lease to Scottish Power in respect of a substation, the property is single let to The Skills Development Scotland Co. Limited for a 10 year term expiring 13th August 2030. The lease is not subject to any break options.</p> <p>The current passing rent of £414,989 per annum will revert to £489,989 per annum on 14th August 2023. The contracted rent reflects £18.10 per sq ft overall.</p> <p>Rent reviews are five yearly and upward only to Market Rent which is defined in the lease.</p>	<p>£8,550,000</p>

SCHEDULE A (Continued):

FREEHOLD/HERITABLE PROPERTY IN THE UK HELD FOR INVESTMENT

Address	Description	Approx Age	Tenancies	Market Value 30 June 2021
<p>Units 1, 2a and 2b, 108 Eastern Avenue Retail Park, Gloucester, GL4 4LP</p>	<p>108 Eastern Avenue Retail Park comprises an out of town retail park constructed in 1999 and extending to 31,960 sq ft (2,969 sq m) GIA. The property fronts Eastern Avenue and is accessed directly off this busy thoroughfare. Further retail warehouse units surround the Park with current occupiers including Lidl, Homebase, The Range and Currys PC World.</p> <p>The property consists of three retail warehouse units of steel portal frame construction with blockwork and metal clad elevations. Unit 2b is occupied by Farmfoods and has been fitted out to the tenant's trading and branding requirements. The other two units are vacant albeit the lease to SUK Retail Limited in respect of Unit 1 is yet to be renounced subsequent to its recent insolvency event.</p> <p>There is a service area to the rear of the units with access from Eastern Avenue via a shared spur road. In addition, there are approximately 145 car parking spaces, including 6 disabled bays, to the front of the property.</p>	<p>1999</p>	<p>The property is let under the terms of two leases, albeit one of the tenants is currently in administration.</p> <p>Unit 1 is let to SUK Retail Limited (in administration) for a 10 year term from 7th July 2017. Whilst the contracted rent is £250,000 per annum, the tenant is in administration, pays nil rent and is not in occupation of the premises. The landlord can determine the lease at any time upon providing the tenant with three months notice.</p> <p>An Agreement for Lease was in place with T.J Morris Limited in respect of Unit 1 albeit this was subject to securing a variation to the planning consent. This had been refused, was subsequently appealed but was dismissed in May 2021.</p> <p>Unit 2a is vacant although was formerly let to Maplin Electronics Limited on a ten year lease expiring on 27th March 2021. The contracted rent was £86,782.50 per annum, however, the tenant was in administration and vacated from the premises in 2018.</p> <p>Unit 2b is let to Farmfoods Limited on a fifteen year lease expiring 9 August 2030. The lease is subject to a tenant break option at 10th February 2027. All uninsured risks are excluded from the tenant's repairing covenant. The rent is £69,970 per annum and is subject to five yearly upward only rent reviews.</p> <p>As a result of retailer administrations, the current gross passing rent is £69,970 per annum. This sum is eroded by non-recoverable landlord shortfalls derived from Units 1 and 2a.</p>	<p>£2,500,000</p>

SCHEDULE A (Continued):

FREEHOLD/HERITABLE PROPERTY IN THE UK HELD FOR INVESTMENT

Address	Description	Approx Age	Tenancies	Market Value 30 June 2021
<p>Burnside Industrial Centre and Annexe B, Farburn Industrial Estate, Wellheads Road, Dyce, Aberdeen, AB21 7HG</p>	<p>Burnside Industrial Centre comprises two terraces of warehouse units together with an office pavilion configured over three levels set within an 1.45 acre (0.59 hectares) site. Car parking is provided on the northeast of the site and to the front of the terraced units.</p> <p>Developed in circa 1988, the two warehouse terraces are situated to the east and west of the site and are of steel portal frame construction. The terraces provide six units in total extending to an aggregate GIA of 22,178 sq ft (2,060.39 sq m).</p> <p>The west terrace which is host to units 4, 5 and 6 has been fully re-clad with the windows replaced by new uPVC double glazed units. The east terrace comprising units 1, 2 and 3 is more dated with the property surmounted by asbestos cement roof sheets and clad with profiled metal sheeting.</p> <p>Internally, the units are generally configured over one level to provide workshop accommodation together with a small component of partitioned offices. The internal areas of units 4, 5 and 6 were also upgraded as part of the recent refurbishment.</p> <p>Extending to 8,004 sq ft (743.59 sq m) NIA, the office pavilion is of 1980s construction and is at the end of its economic life. As a result, it is to be demolished in Quarter 3 of 2021 with all necessary consents in place to facilitate this.</p> <p>The property is situated at the southern periphery of Dyce within Farburn Industrial Estate. The surrounding area provides a mix of industrial, office and residential uses.</p> <p>Aberdeen airport and Dyce train station are situated two miles and one mile north west of the subjects.</p>	<p>1980s</p>	<p>The property is currently let to six tenants and generates a gross passing rent of £130,248 per annum. The gross contracted rent is £160,495 per annum.</p> <p>Units 4, 5 and 6 are let to Grampian Geotechnical (Scotland) Limited, Razor Oil Tools and Precision Pumping & Metering Limited respectively at passing rents reflecting between £7.63 per sq ft and £9.10 per sq ft.</p> <p>Units 1, 2 and 3 are let to Weldsy Limited, Grampian Auto Services and RTV-Worldnet Shipping Ltd. The contracted rents reflect between £3.45 per sq ft and £7.51 per sq ft.</p> <p>The occupiers of Units 1, 2 and 4 benefit from outstanding concessions at our valuation date. These concessions will expire during the course of Quarter 3 of 2021 and consequently the gross passing rent will revert to the contractual level of £160,495 per annum imminently.</p> <p>The weighted average unexpired lease term certain generated by the property is 3.34 years. This increases to 4.43 years when tenant break options are disregarded.</p> <p>The office pavilion was formerly let to SKF (UK) Limited at a rent of £144,175 per annum, however, this tenant vacated at lease expiry on 29 September 2018. This block was at the end of its economic life and is scheduled to be demolished in Quarter 3 of 2021.</p> <p>At our valuation date, the landlord incurs non-recoverable service charge and empty rates from the office building albeit these holding costs will lapse once the property has been demolished.</p>	<p>£1,500,000</p>

SCHEDULE A: (Continued)

FREEHOLD/HERITABLE PROPERTY IN THE UK HELD FOR INVESTMENT

Address	Description	Approx Age	Tenancies	Market Value 30 June 2021
<p>Lochside House, 3 Lochside Way, Edinburgh Park, Edinburgh, EH12 9DT</p>	<p>Lochside House comprises a detached three storey building, providing approximately 23,422 sq ft (2,175.96 sq m) of office accommodation. The property is of steel frame construction. The external elevations are predominantly formed in a glazed curtain walling system with brick and render panels. The roof is flat.</p> <p>The property is constructed around a central atrium which acts as a link to the two wings of the building. The atrium also contains a passenger lift and stair leading to all upper floors. The common parts extend into each wing and include male and female toilet accommodation on each level.</p> <p>The majority of the office suites together with the common areas have been refurbished and consequently the building provides well specified accommodation. Internal finishes typically comprise suspended grid ceilings together with raised flooring with carpets throughout. Tenants have fitted out their respective suites to incorporate partitioned meeting areas together with tea preparation facilities. Heating is provided throughout by way of an air conditioning system.</p> <p>The external surface car park sits at the front of the property (accessed via Lochside Way) and can accommodate 91 vehicles. The parking ratio of 1:257 sq ft is excellent in an Edinburgh context.</p> <p>Edinburgh Park lies on the western outskirts of the city boundary, a short distance east of Edinburgh Airport and The Royal Bank of Scotland's headquarters at Gogarburn. The Park was built in the early 1990's as a joint development between Miller Group and City of Edinburgh Council and is widely regarded as Scotland's premier business park location.</p>	<p>1999</p>	<p>The property is let to three tenants under six separate occupational leases and generates a gross passing rent of £303,988 per annum.</p> <p>Nucana lease part ground, part 1st and the entire 2nd floor level under four separate occupational leases at a total rent of £239,746 per annum which reflects 79% of the gross income. The passing rents reflect between £18.00 per sq ft and £22.51 per sq ft. The weighted average unexpired lease term certain in respect of its four leases is 1.24 years, increasing to 2.03 years disregarding its break option on part 2nd floor level.</p> <p>Go For Finance Limited occupy 1,550 sq ft at ground floor level and pay £27,090 per annum. This tenant's lease expires on 30 September 2021 although at our valuation date terms were being negotiated for a lease extension at a rent reflecting £21.50 per sq ft, an increase from £17.48 per sq ft.</p> <p>Coulters Legal LLP occupy the east suite on the first floor level and pay £37,152 per annum. The tenant's lease expires on 5th July 2027 but is subject to a tenant break option on 6th July 2022.</p> <p>Leases are generally drafted on an effective Full Repairing and Insuring basis, with the cost of repairs to common areas recoverable from the tenants through the service charge regime.</p> <p>At our valuation date, two office suites are vacant extending to a total area of 7,807 sq ft (33.33% of the composite area). The landlord incurs non-recoverable void holding costs on these demises.</p> <p>The weighted average unexpired lease term certain is 1.13 years. This increases to 2.37 years when tenant break options are omitted. Disregarding the vacant accommodation, the average passing rent reflects £19.47 per sq ft overall.</p>	<p>£5,175,000</p>

SCHEDULE A: (Continued)

FREEHOLD/HERITABLE PROPERTY IN THE UK HELD FOR INVESTMENT

Address	Description	Approx Age	Tenancies	Market Value 30 June 2021
<p>Kew Retail Park, Southport Road, Southport, PR8 5RG</p>	<p>The property comprises a retail park originally constructed to provide a terrace of six units, but with one unit subsequently sub-divided and therefore now comprising seven units in total. In addition to the retail warehouse accommodation, there is a car wash to the front of the site. The aggregate floor area is 53,937 sq ft (5,011 sq m).</p> <p>The buildings are of steel portal frame construction, with brick elevations to approximately 2.5m, with profile metal cladding above surmounted by a pitched profile metal clad roof. Each unit benefits from large central corporate signage above the entrance doors, which are typically metal powder coated single glazed double doors. Internally the units have been fitted to the corporate style of the tenant. The units occupied by Sofology and Parts Alliance Group have both been fitted with significant mezzanine floors.</p> <p>The car park to the front of the warehouse units provides approximately 161 car parking spaces, which reflects a ratio of 1:335 sq ft. To the rear there is a small service yard accessed from Foul Lane, which provides loading facilities for each of the units. The yard is secured via a palisade fence, with gated access.</p> <p>The property is situated approximately 2.4 miles to the east of Southport town centre and fronting A570 Southport Road, a short distance to the south of Kew Roundabout. The wider area around the subject property is a mix of commercial uses, with Southport Household recycling facility immediately to the rear and a large Tesco Extra superstore directly opposite.</p>	<p>2001</p>	<p>The property is let under the terms of seven leases and generates a gross passing rent of £265,598 per annum.</p> <p>The principal tenant, Poundstretcher Limited, is in administration and pays nil rent but does cover its occupational costs. The contracted rent was formerly £280,000 per annum. The lease is for a 25 year term expiring on 23 June 2026 although we understand that it now incorporates mutual rolling break options.</p> <p>The other key tenant is Sofology who occupy Unit 6 under a 25 year lease which expires on 16 May 2027. The passing rent was formerly £162,000 per annum although this was reduced to £101,250 per annum in Quarter 2 of 2020. The rent will revert to the former level in the event of an assignation.</p> <p>Carphone Warehouse exercised its October 2021 break option which will result in a £50,000 per annum reduction in the gross rent.</p> <p>Dreams Limited occupy Unit 4A which extends to 4,944 sq ft. The tenant formerly paid £75,000 per annum but this reduced to nil after it exercised its October 2020 break option. It remains in occupation on a short term basis covering rates, service charge and insurance only.</p> <p>Wickes Building Supplies Limited and Parts Alliance Group occupy units 4B and 1 respectively. Both tenants recently agreed to extend their certain lease terms albeit at reduced rentals.</p> <p>The weighted average unexpired lease term certain is 3.78 years. This increases to 5.08 years when tenant break options are omitted.</p> <p>Costs associated with common repairs are recoverable from the occupational tenants via the service charge regime. Only one tenant, Parts Alliance Group Limited in Unit 1, has a service charge cap albeit this does not derive a landlord shortfall.</p> <p>Unit 3 extending to 6,037 sq ft (11.19% of the aggregate floor area) is currently vacant with the landlord liable for the associated void holding costs. Unit 2 is also being marketed to let and will be available when Carphone Warehouse's lease terminates in October 2021.</p>	<p>£4,700,000</p>

SCHEDULE A: (Continued)

FREEHOLD/HERITABLE PROPERTY IN THE UK HELD FOR INVESTMENT

Address	Description	Approx Age	Tenancies	Market Value 30 June 2021
Arthur House, Chorlton Street, Manchester M1 3FH	<p>Arthur House comprises a purpose built office block constructed in 1963. Extending to 26,518 sq ft (2,469.09 sq m) NIA, the property is configured with a ground floor reception and offices arranged over first to sixth floor levels. There are 32 car parking spaces within an undercroft car park.</p> <p>The property was formerly operated as a business centre, with the floor plates sub-divided to accommodate businesses with modest space requirements.</p> <p>Following its acquisition of Arthur House, DRIP REIT's asset management strategy has been to undertake a phased refurbishment of the premises with aspirations to let individual floor levels under conventional lease terms and create an office investment that would appeal to the institutional market.</p> <p>As a result of this asset management strategy, the building is in a transition period whereby the occupancy rate is low as the landlord seeks to secure vacant possession of entire floor levels with aspirations to refurbish the suites in response to securing pre-let agreements.</p> <p>It is in this context that the specification of the accommodation is mixed, with sections of the building comprehensively refurbished and others providing space that is finished to a basic standard.</p> <p>The entire fourth floor has been comprehensively refurbished and is let to two tenants under conventional lease terms. One of the stairwells together with the reception area have also been refurbished. The 6th floor level has also been comprehensively refurbished albeit remains vacant.</p> <p>The property is located on an island site, with the reception entrance at the corner of Chorlton Street and Silver Street. The surrounding area is of mixed commercial use, including offices, retail and leisure, hotel and the National Express Coach Station is located opposite fronting Chorlton Street.</p>	1963	<p>The property is let under 15 leases together with three car parking licences and generates a gross contracted rent of £298,755 per annum. The gross passing rent is lower reflecting £288,654 per annum. This is a result of an outstanding rental concession granted to UK Speeder Consulting Limited in respect of part 3rd floor level.</p> <p>The prevailing void rate is high as a result of DRIP REIT's asset management strategy which entails reducing the number of small suites on each floor level to facilitate more institutional lettings. The total vacancy is 10,072 sq ft reflecting 38% of the aggregate Net Internal Area. The sixth floor level extending to 4,675 sq ft is vacant in its entirety albeit the accommodation has been comprehensively refurbished.</p> <p>The fourth floor has also been comprehensively refurbished and is let to Tony Gee and Partners and Gordon Levy Limited. The former occupies 3,971 sq ft under a 10 year lease subject to a tenant break option at year 5. The passing rent of £69,510 per annum reflects 23% of the gross contracted rent generated by the property.</p> <p>The weighted average unexpired lease term certain is 2.22 years, based on the gross contracted rent. This increases to 3.91 years, excluding tenant break options.</p> <p>The landlord incurs considerable void holding costs as a result of the high vacancy rate albeit this is a function of the asset management strategy.</p>	£4,800,000
			Freehold/Heritable Sub Total	£31,325,000

SCHEDULE B:

PART FREEHOLD/PART LONG LEASEHOLD PROPERTY IN THE UK HELD FOR INVESTMENT

Address	Description	Approx Age	Tenancies	Market Value 30 June 2021
Gosforth Shopping Centre, Newcastle upon Tyne, NE3 1JZ	<p>The property comprises a neighbourhood shopping centre predominantly constructed over two levels and extending to 73,367 sq ft (6,815.96 sq m).</p> <p>Host to 18 retail units together with four kiosks, the scheme is anchored by a 33,000 sq ft (3,065.77 sqm) Sainsbury's superstore which has significant profile to High Street.</p> <p>The roof level car parking deck is accessed via an additional ramp from the service yard. Providing 114 car parking spaces, the parking area is serviced by two passenger lifts together with a number of stairwells which provide access to the mall at street level.</p> <p>The majority of the property is held Freehold, however, a small outdoor seating area is held under a long lease at peppercorn rent.</p> <p>The property occupies a prominent position on Gosforth High Street (B1318), approximately 2.1 miles (3.4 km) north of Newcastle town centre and 0.5 miles (0.8 km) south of the Regent Centre Metro Station.</p>	1979	<p>Gosforth Shopping Centre is let under 19 occupational leases together with four licences and derives a gross contracted rent of £960,328 per annum. The gross passing rent is lower at £940,328 per annum as a result of Webster and Carr Limited's outstanding rental concession.</p> <p>The property is anchored by Sainsbury's Supermarkets Limited with other key tenants including Boots, Lloyds, Costa and WH Smith.</p> <p>Sainsbury's Supermarkets Limited occupy Units 1 - 7 under a 25 year lease expiring 10 April 2032. The passing rent of £426,649 per annum is subject to five yearly upwards only rent reviews to the higher of Market Rent and 2% per annum compounded. The next review is at 11th April 2022.</p> <p>The other key tenant in occupation under a long lease is Lloyds Bank plc. Occupying Units 32 - 34, the current passing rent is £55,700 per annum and the lease expiry is 28 September 2049. Rent reviews are five yearly, upward only to Market Rent.</p> <p>The long leases to Sainsbury's and Lloyds skew the weighted average unexpired lease term calculations. Incorporating these long leases, the WAULTC is 7.91 years based on the gross contracted rent. This increases to 8.31 years excluding tenant break options. When these long leases are omitted from the income calculations, the WAULTC and WAULT reduce to 2.97 years and 3.77 years respectively.</p> <p>£482,349 per annum representing 50% of the gross contracted rent is derived from the Sainsbury's and Lloyds tenancies which together have a WAULTC of 12.8 years.</p> <p>Leases are drafted on effective Full Repairing and Insuring basis, with the cost of repairs to common areas recoverable from the tenants through the service charge regime.</p> <p>The property is host to three vacant units representing 9.25% of the total floor area. As a result, the gross income is eroded by non-recoverable void holding costs.</p>	£10,000,000
			Part Freehold/Part Long Leasehold Sub Total	£10,000,000

**SCHEDULE C:
LONG LEASEHOLD PROPERTY IN THE UK HELD FOR INVESTMENT**

Address	Description	Approx Age	Head Lease	Tenancies	Market Value 30 June 2021
Mayflower House, Team Valley Trading Estate, Fifth Avenue, Gateshead, NE11 OSD	<p>Mayflower House comprises a detached three storey office building, extending to 27,789 sq ft (2,581.66 sq m).</p> <p>The property provides flexible open plan office accommodation on ground and first floor levels with a plant room housing boilers together with water storage tanks and ventilation plant at second floor level.</p> <p>Internal finishes are generally good and comprise suspended grid ceilings together with raised flooring, covered with carpet tiles. Tenants have fitted out their respective suites to incorporate partitioned meeting areas together with tea preparation facilities.</p> <p>The external surface car park sits at the front of the property (accessed via Fifth Avenue) and can accommodate 112 vehicles.</p> <p>The property sits within Fifth Avenue Business Park which comprises a cluster of office buildings of broadly similar vintage. Team Valley Trading Estate was originally designated in 1935 and now provides one the largest industrial complexes in Europe.</p>	Early 1990s	125 years from 28 December 1989 expiring 27 December 2114 at peppercorn rent.	<p>The property is let to two tenants under four separate occupational leases. The current gross rent is £228,337 per annum.</p> <p>69% of the gross rent is secured to Worldpay Limited with the remaining 31% derived from Datawright Computer Services Limited. All leases are subject to Schedules of Condition.</p> <p>Worldpay Limited occupy a number of suites within the building under three separate but coterminous leases that are for a 10 year term expiring 10 March 2025. All leases incorporated a tenant break option at 11 March 2020 albeit these were not exercised. The tenant's current aggregate rental liability is £158,337 per annum reflecting £9.00 per sq ft. The tenant is not in occupation of its accommodation and seeks to assign its lease.</p> <p>Datawright Computer Services Limited occupy 6,887 sq ft of ground floor accommodation on a lease expiring 29 October 2024. The passing rent of £70,000 per annum reflects £10.16 per sq ft. The tenant did not exercise its October 2021 break option.</p> <p>Leases are drafted on effective Full Repairing and Insuring basis, with the cost of repairs to common areas recoverable from the tenants through the service charge regime. Worldpay Limited's leases incorporate service charge caps which result in an annual landlord shortfall of £16,592 at our valuation date.</p> <p>The weighted average unexpired lease term is 3.59 years.</p> <p>First floor suite 3a extending to 3,310 sq ft is vacant and is currently being marketed to let at a quoting rent reflecting £11.50 per sq ft. The landlord incurs non-recoverable void holding costs on this suite.</p>	£2,175,000

SCHEDULE C (Continued):

LONG LEASEHOLD PROPERTY IN THE UK HELD FOR INVESTMENT

	Description	Approx Age	Head Lease	Tenancies	Market Value 30 June 2021
Lakeside 5500, Cheadle Royal Business Park, Cheadle, SK8 3GR	<p>The property comprises a self-contained modern office building, which was constructed in circa 1998 and is of steel framed construction with brick elevations beneath a pitched tiled roof.</p> <p>Extending to 26,281 sq ft (2,441.56 sqm), Lakeside 5500 is configured over three levels and provides well specified open plan office accommodation across two wings, set around a central core.</p> <p>The right side of the property is demarcated by surrounding shrubbery and features 16 parking spaces. To the rear, which comprises the main parking area, there are approximately 105 spaces and there are an additional 5 spaces (including 2 allocated for disabled use) to a small forecourt adjacent the front entrance</p> <p>The property is situated 1.5 miles south west of Cheadle town centre, forming part of Cheadle Royal Business Park which is widely considered to be one of the best out of town business parks in the North West Region.</p>	1998	215 years (less three days) from 29 September 1995 at peppercorn rent.	<p>The property is let to two tenants under two separate occupational leases. The contracted gross rent is £487,200 per annum albeit the gross passing rent is £462,200 per annum. The former level will not be realised under the prevailing tenancy agreements as a result of a rental concession that is applicable until lease expiry. Further detail in this regard is provided below.</p> <p>The ground and first floor levels are let to Agilent Technologies LDA UK Limited for a ten year term expiring 24 March 2022. The contracted rent of £310,000 per annum was agreed at the March 2017 rent review. This sum is subject to a £25,000 per annum rental deduction which is applicable until lease expiry. As a result, the current passing rent is £285,000 per annum. £310,000 per annum will not be realised during the prevailing lease term. The tenant's service charge is capped at £10 per sq ft and the lease is inside the Landlord and Tenancy Act 1954.</p> <p>At our valuation date, Heads of Terms have been agreed for a lease extension with this tenant. Solicitors have been instructed to document this proposed variation.</p> <p>The second floor was originally let to Micron Europe Limited, however, this tenant assigned its lease to Satify Space Systems UK Limited. This assignment was subject to an Authorised Guarantee Agreement. The lease is for a five year term expiring 24 March 2022 and was subject to a tenant only break option on 24 March 2020 albeit this was not exercised. The passing rent is £177,200 per annum. This lease is contracted outside The Landlord & Tenant Act 1954. Negotiations are ongoing regarding a lease extension</p> <p>The weighted average unexpired lease term certain is short reflecting 0.73 years on account of the imminent lease expires. The WAULTC will increase considerably when the proposed lease extension agreed with Agilent Technologies is documented.</p>	£5,400,000
				Long Leasehold Sub Total	£7,575,000
				Grand Total	£48,900,000