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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THEREFORE THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE EVEN IF THE PRE-CONDITIONS ARE SATISFIED OR WAIVED.

THE INFORMATION COMMUNICATED IN THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AND UPON PUBLICATION OF THE ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

30 MAY 2022

Statement regarding possible offer for Countryside Partnerships plc by Inclusive Capital Partners, L.P.

Inclusive Capital Partners, L.P. ("**In-Cap**") announces that, on 17 May 2022, it made a second confidential approach to the Board of Countryside Partnerships plc ("**Countryside**" or the "**Company**") regarding a possible offer to acquire the entire issued and to be issued share capital of Countryside not already owned by In-Cap. In its letter, In-Cap requested that the board of directors of Countryside engage in good faith and provide access to due diligence, to determine if the terms of a recommended offer could be agreed upon.

On 26 May 2022, In-Cap was notified by Countryside that the Company would not engage with In-Cap or provide access to due diligence materials. This represents the second attempt made by In-Cap to engage with the Board of Countryside over the last two months.

The In-Cap team believes that Countryside shareholders deserve the opportunity to decide on the merits of any offer, and that if an approach is made in good faith, the Countryside Board should act in the interests of its shareholders by engaging with the potential offeror and not deny its shareholders this opportunity.

Possible Offer

In-Cap is seeking to engage with the Board of Countryside to discuss the merits of a possible offer (the "**Possible Offer**") to acquire the entire issued and to be issued ordinary share capital of Countryside not already owned by In-Cap for 295 pence per share (the "**Cash Offer**").

Whilst not set out in the second confidential approach, it is also currently expected that as an alternative to the Cash Offer, an eligible Countryside shareholder would be entitled to elect to receive rollover ordinary shares (the "**Rollover Securities**") in exchange for their holding of Countryside shares at a ratio to be specified in the relevant offer documentation (the "**Alternative Offer**"), subject to the indicative terms and conditions of the Alternative Offer (detailed below and in the appendix to this announcement).

As of 27 May 2022 (being the last business day before the date of this announcement), In-Cap owned 45.8m shares of Countryside, representing approximately 9.2 per cent. of Countryside's issued ordinary share capital as at such date.

In-Cap believes that the terms of its Possible Offer represent a compelling proposition for Countryside shareholders, providing a unique opportunity to realise their investments at a highly attractive premium. In-Cap further believes that the

Possible Offer would also provide shareholders with transaction certainty against the continued and recently increased market volatility, macro-economic uncertainty and significant business risks facing the Company.

The terms of In-Cap's Possible Offer represent:

- an adjusted premium of approximately 31.4% from Countryside's closing share price as of 27 May 2022 and 28.5% from Countryside's volume weighted average price of 242.7 pence per share since 7 April 2022, the date of Countryside's update on the conclusions of John Martin's operational review, trading, and the Government's Fire Safety Pledge; and
- an implied multiple of approximately 16.5x EV / 31 Mar 2022 LTM Partnerships Adj. EBIT

In-Cap believes that an adjusted premium is the most relevant metric, as it does not perceive it to be appropriate to offer a premium on a one-time cash return to shareholders as a result of the wind-down of the Company's Homebuilding segment.

In-Cap believes that the multiple implied by its Possible Offer compares favourably to selected precedent transactions in the sector:

- The median EV / LTM EBIT multiple of 8.0-8.5x for selected precedent UK Housebuilder sponsor and strategic transactions between 1999 and 2020;
- 8.7x EV / LTM EBIT for Countryside's acquisition of Westleigh in 2018; and
- 5.5x EV / LTM EBIT for Bovis Homes' (now Vistry) acquisition of Galliford Try in 2020

Against the backdrop of the current business challenges and lack of shareholder support, In-Cap believes that the Company is better served to execute its turnaround strategy in the private markets, where the management team can focus on operating the business for the long-term.

About In-Cap

In-Cap is a multi-billion dollar San Francisco-based SEC registered Investment Adviser with long-term, locked-up AUM. In-Cap was formed by ValueAct Capital co-founders Jeff Ubben and George Hamel, along with Lynn Forester de Rothschild and Eva Zlotnicka. In-Cap's four founders share a passion for positively leveraging capitalism and governance in pursuit of a healthy planet and the health of its inhabitants.

Strategic Rationale

Countryside has an impressive 30+ year track record of regeneration in the UK and In-Cap believes that the Company is very well-positioned in the industry. The Company has a strong track record of working with a range of partners from local authorities and housing associations to community groups and other key stakeholders in a local community. In-Cap believes that Countryside is a high-quality business and its asset-light approach to homebuilding has the potential to generate meaningful returns on invested capital.

In-Cap believes that Countryside's business also generates meaningful social value: the Company partners with local authorities to revitalise derelict communities, with a focus on affordable housing. As the Company states in its annual report, "building communities is the foundation of what we do... [and] placemaking unlocks greater socio-economic value and community well-being."

Whilst In-Cap is optimistic about the demand for Countryside's product given the developments in the affordable housing model in England, In-Cap believes that the Company has underperformed in comparison to its potential over the past two years.

Countryside took the first step towards addressing its underperformance with John Martin's operational review, the results of which were released to shareholders on 7 April 2022, which identified several issues that had adversely impacted performance. As long-term shareholders, In-Cap views Mr. Martin's clear identification of the issues facing the business as a positive development.

However, In-Cap believes that the Company would be in a better position to turnaround its business (which, as outlined by John Martin's operational review, has a number of areas where it can improve performance) as a private company rather than as a public entity, where near-term profitability and consistent earnings results are expected by investors. In-Cap believes that In-Cap, with its long-term investment approach, is better placed to enable the management team to focus on operating the business for the long-term, to the benefit of all stakeholders.

In-Cap has a strong track record of supporting companies with the goal of building a more inclusive, sustainable, and trusted economic system. In addition, the team has direct experience executing acquisitions of meaningful scale in the public markets. In-Cap, therefore, believes its proposal offers both a certain price for shareholders now and the opportunity for the Company to achieve its growth ambitions over the coming years.

Alternative Offer

Under the Alternative Offer, it is proposed that eligible Countryside shareholders would be entitled to either:

- (a) elect for the Alternative Offer in relation to their entire holding of Countryside shares; or
- (b) elect for the Alternative Offer in relation to at least 50 per cent. of their holding of Countryside shares (with the remaining percentage of such Countryside shareholder's shareholding being settled by way of the Cash Offer).

The maximum number of Rollover Securities available to Countryside shareholder under the Alternative Offer would be limited to 30 per cent. of the issued ordinary share capital of any holding company formed by In-Cap for the purposes of implementing the Possible Offer ("**Holdco**") as at completion of the Possible Offer (the "**Alternative Offer Maximum**").

If valid elections were to be made from eligible Countryside shareholders that would require the issue of Rollover Securities exceeding the Alternative Offer Maximum, the number of Rollover Securities to be issued in respect of each Countryside share would be rounded down on a pro rata basis, and the balance of the consideration for each Countryside Share would be paid in cash in accordance with the terms of the Cash Offer.

The availability of the Alternative Offer would also be conditional upon valid elections being made for such number of Rollover Securities as represent at least 5 per cent. of the issued ordinary share capital of Holdco at completion of the Possible Offer, failing which the Alternative Offer would lapse and no Rollover Securities would be issued.

Unless otherwise determined by In-Cap and permitted by applicable law and regulation, the Alternative Offer would not be offered, sold or delivered, directly or indirectly, in or into any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Possible Offer is sent or made available to Countryside shareholders in that jurisdiction or where to do so would result in compliance requirements or formalities which In-Cap regards as unduly onerous. In addition, individual acceptances of the Alternative Offer would only be valid if all regulatory approvals (if any) required by the relevant Countryside shareholder to acquire the Rollover Securities had been obtained.

Should the Possible Offer proceed, for the purposes of Rule 24.11 of the Code, Moelis & Company, as lead financial adviser to In-Cap, would provide an estimate of the value of a Rollover Security, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter to be included in the relevant offer documentation.

Pre-conditions to and terms of the Possible Offer

Any announcement of a firm intention to make an offer by In-Cap under Rule 2.7 of the Code remains subject to certain pre-conditions, including satisfactory completion of customary due diligence requiring the engagement of Countryside management. In-Cap reserves the right to waive any pre-condition at any time at its sole discretion but notes that there can be no certainty that a formal offer will be made, even if the pre-conditions are satisfied or waived.

For the purposes of Rule 2.5(a) of the Code, In-Cap reserves the right to make an offer on different and potentially less favorable terms than those set out in this announcement at any time (a) with the consent or recommendation of the Countryside, (b) if a third party announces (after the date of this announcement) a firm intention to make an offer for Countryside or a possible offer on less favourable terms than those set out in this announcement, (c) following the announcement by Countryside of a Rule 9 waiver under the Code, or (d) through a reduction in the proposed price by the amount of any dividend, return of value or other distribution which is announced, declared, made or paid by Countryside after the date of this announcement.

In-Cap reserves the right to adjust the form and/or mix of consideration described in this announcement.

This announcement commences an offer period in respect of Countryside for the purposes of the Code. In accordance with Rule 2.6(a) of the Code, In-Cap is required, by no later than 5.00p.m. (London time) on 27 June 2022, to announce a firm intention to make an offer for Countryside in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Code.

Any offer would be subject to any requisite anti-trust or regulatory approvals and other customary conditions.

Further information

It is important to note that this is an announcement of a possible offer pursuant to 2.4 of the Code and accordingly there can be no certainty that any offer for Countryside will be made by In-Cap.

Investors should note the further disclosures required by the Code set out below and in particular, that disclosures are required by persons with interests in securities representing more than 1 per cent. of Countryside shares.

In-Cap will make further announcements in due course.

This announcement has been made without the consent of Countryside.

In-Cap Quote

Jeffrey Ubben, the Founder and Managing Partner of In-Cap, said:

Countryside looks to regenerate areas, and through its mixed-tenure approach supports communities, by developing and building affordable homes for rent and for sale next to higher priced private homes. In working with land owners, housing associations and government authorities, Countryside seeks to address an acute need for high quality affordable housing in the UK. We believe Countryside's success is linked to this need and also will be the source of future growth.

In-Cap was founded to support businesses which generate positive impact on the environment and society. We believe Countryside is meeting a critical societal need and as a holder of approximately 9% of the issued share capital of Countryside,

In-Cap believes Countryside is best positioned to serve this role and to succeed as a private company under ownership of investors with a long-term investment approach.

In contrast, the board of directors of Countryside has presided over the flawed acquisition of Westleigh in 2018, a dilutive equity financing in 2020, and the appointment of a chief executive officer with little to no prior public company executive experience that oversaw overly ambitious expansion into new geographies and investment into excess manufacturing capacity that is now generating losses.

For the reasons set out above, we believe our proposed offer represents a highly attractive premium for Countryside shareholders. We believe that Countryside shareholders should be informed about our proposal to enable them to form their own view.

For further information please contact:

Finsbury Glover Hering
Rollo Head
Alastair Elwen
James Gray

+44 (0) 20 7251 3801
In-Cap-LON@fgh.com

Moelis & Company (Financial Adviser to In-Cap)

+44 (0) 20 7634 3500

Mark Aedy
Liam Beere

Kirkland & Ellis International LLP is acting as legal adviser to In-Cap.

Important information

This announcement is not intended to, and does not, constitute, represent or form part of any offer, invitation or solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law or regulation and therefore any person who comes into possession of this announcement should inform themselves about, and comply with, such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws or regulations of any such relevant jurisdiction.

The Alternative Offer will not be registered and it is proposed that the Alternative Offer will be made pursuant to an applicable exemption.

Moelis & Company UK LLP ("Moelis & Company"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for In-Cap and for no one else in connection with the matters described in this announcement and will not be responsible to anyone other than In-Cap for providing the protections afforded to clients of Moelis & Company nor for providing advice in connection with the matters referred to herein. Neither Moelis & Company nor any of its affiliates 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 Moelis & Company in connection with this announcement, any statement contained herein 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.

Rule 26.1

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available on the Company's website at <https://www.relevant-documents.com>. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

If the Possible Offer results in an offer being made, any offer document or scheme document published in connection with such offer will contain, except with the consent of the Takeover Panel, in accordance with Rule 29 of the Code, either an updated property valuation in respect of Countryside's property portfolio or no material difference statement in respect of the last reported valuation of Countryside's property portfolio.

Sources of Information and Bases of Calculation

1. Volume weighted average price of 242.7 pence per Countryside share derived from Bloomberg for the period from 7 April 2022 to 27 May 2022;
2. The value attributed to the entire issued and to be issued share capital of Countryside is based on a value of 295 pence per Countryside share, and:
 - a. 499,472,051 ordinary shares in issue (excluding treasury shares) as per the 20 May 2022 announcement regarding a transaction in own shares;
 - b. 6.14m ordinary shares which may be issued on or after the date of this announcement to satisfy the exercise of Long-Term Incentive Plan and Deferred Bonus Plan options and vesting of awards, as per the 2021 Annual Report;
 - c. 0.61m ordinary shares which may be issued on or after the date of this announcement to satisfy the exercise of Savings-Related Share Option Scheme options and vesting of awards at an exercise price of 245 pence per option, as per the 2021 Annual Report;
3. Enterprise value is based on 506.22m fully diluted number of issued shares (excluding treasury shares) as of 20 May 2022, daily net debt position over the first six months of FY2022 leading up to the 19 May 2022 H1 Report, excluding £71.1m of lease liabilities as of the 2022 H1 Report, and estimated total cladding provision of £146.9m per the 2022 H1 Report;
4. Partnerships enterprise value adjusted to reflect the £300m / 59 pence per share value in cash expected to be generated from the wind-down of the Company's Homebuilding segment;
5. 31 Mar 2022 LTM Partnerships Adj. EBIT is equal to £87.3m based on the 2022 H1 Report and Partnerships Adj. EBIT of £31.6m in 2022 H1, £52.0m in 2021 H1 and £107.7m in FY21A, adjusted for £15m of excess operating profit realised in FY21, relating to 1,000+ completions deferred into 1H21 due to COVID related delays in FY20;
6. Unless otherwise stated, the financial information relating to Countryside is extracted (without material adjustment) from the 2021 Annual Report;
7. Selected precedent strategic transactions:

Date	Target	Acquiror	EV / LTM EBIT
Sep-2019	Galliford Try (Housing Businesses)	Bovis Homes	5.5x
Jul-2019	Telford Homes	CBRE	8.1x
Apr-2018	Westleigh Group	Countryside Properties	8.7x
Mar-2014	Banner Homes	CALA	12.8x
Mar-2007	George Wimpey	Taylor Woodrow	6.5x
Feb-2007	Linden	Galliford Try	7.8x
Feb-2007	Wilson Bowden	Barratt Developments	9.6x
Nov-2005	Westbury	Persimmon	6.4x
Sep-2005	Fairclough Homes	The Miller Group	6.7x
Nov-2004	Countryside Properties	Cophthorn Ltd (Uberior / MBO)	11.6x
Sep-2003	Wilson Connolly	Taylor Wimpey	9.7x

Oct-2002	Laing Homes (Premium Homes)	George Wimpey	5.8x
Aug-2001	Alfred McAlpine	George Wimpey	8.6x
Jan-2001	Beazer	Persimmon	6.4x
Jan-2001	Bryant	Taylor Woodrow	6.3x
Apr-1999	Fairclough Homes	Centex-UK	9.8x
Median			8.0x

"Selected Precedent Transactions" - Enterprise Value over LTM EBIT multiples are based on publicly available information as set out below.

- Galliford Try (Housing Businesses) / Bovis Homes: 5.5x
 - Enterprise value: £1,075m (Source: "Circular to Shareholders and Notice of General Meeting" announcement released on 7 November, 2019, page 9)
 - EBIT: £195m (Source: "Circular to Shareholders and Notice of General Meeting" announcement released on 7 November, 2019, page 14 and 15)
- Telford Homes / CBRE: 8.1x
 - Enterprise value: £340m based on a market capitalisation of £267m (Source: Scheme of Arrangement released on 11 July, 2019, page 7) and borrowings minus cash and cash equivalents of £73m (Source: Telford Homes Annual Report for Year Ended 31 March, 2019, page 73)
 - EBIT: £42m (Source: Telford Homes Annual Report for Year Ended 31 March, 2019, page 68)
- Westleigh Group / Countryside Properties: 8.7x
 - Enterprise value: £135m (Source: "Acquisition of Westleigh Group Limited" announcement released on 12 April, 2018, page 1)
 - EBIT: £16m (Source: "Acquisition of Westleigh Group Limited" announcement released on 12 April, 2018, page 1)
- Banner Homes / CALA: 12.8x
 - Enterprise value: £210m based on £82m in total cash consideration and borrowings minus cash and cash equivalents of £127m (Source: CALA Group Annual Report for Year Ended 30 June, 2014, page 71)
 - EBIT: £16m (Source: Banner Homes Group Annual Report for Year Ended 31 May, 2013, page 6)
- George Wimpey / Taylor Woodrow: 6.5x
 - Enterprise value: £2,749m (Source: Scheme of Arrangement released on 26 March, 2007, page 24)
 - EBIT: £423m (Source: George Wimpey Annual Report for Year Ended 31 December, 2006, page 52)
- Linden / Galliford Try: 7.8x
 - Enterprise value: £245m based on £109m in total cash consideration and net indebtedness of £136m (Source: "Proposed Acquisition of Linden Holdings" announcement released 8 February, 2007, page 1)
 - EBIT: £31m (Source: Linden Holdings Annual Report for Year Ended 31 December, 2006, page 7)
- Wilson Bowden / Barratt Developments: 9.6x
 - Enterprise value: £2,337m based on implied market capitalisation of £2,168m from 96.6m fully diluted number of shares and 2,245p offer price (Source: "Recommended Cash and Share Offer" released on 5 February, 2007) and net indebtedness of £169m (Source: Wilson Bowden Plc Annual Report for Year Ended 31 December, 2006, page 2)

- EBIT: EBIT: £243m (Source: Wilson Bowden Plc Annual Report for Year Ended 31 December, 2006, page 26)
- Westbury / Persimmon: 6.4x
 - Enterprise value: £917m based on £643m in total cash consideration (Source: "Cash Offer for Westbury" announcement released 24 November, 2005, page 1) and net indebtedness of £274m (Source: Westbury Plc Interim Report for Period Ended 31 August, 2005)
 - EBIT: £142m (Source: Westbury Plc Annual Report for Year Ended 28 February, 2005, page 46)
- Fairclough Homes / The Miller Group: 6.7x
 - Enterprise value: Enterprise value: £292m based on £264m in total cash consideration (Source: Miller Group announcement released 19 September, 2005) and net indebtedness of £28m (Source: Fairclough Homes Annual Report for Year Ended 31 March, 2005, page 19)
 - EBIT: £44m (Source: Fairclough Homes Annual Report for Year Ended 31 March, 2005, page 6)
- Countryside Properties / Copthorn Ltd (Uberior / MBO): 11.6x
 - Enterprise value: £324m based on implied market capitalisation of £222m (Source: "Recommended Increased Cash Offer for Countryside Properties" announcement released 24 January, 2005) and net indebtedness of £102m (Source: Countryside Properties Annual Report for Year Ended 30 September, 2004, page 16)
 - EBIT: £28m (Source: Countryside Properties Annual Report for Year Ended 30 September, 2004, page 4)
- Wilson Connolly / Taylor Wimpey: 9.7x
 - Enterprise value: £650m (Source: "Recommended Offer" announcement released on 1 September, 2003, page 21)
 - EBIT: £67m (Source: "Recommended Offer" announcement released on 1 September, 2003, page 21)
- Laing Homes (Premium Homes) / George Wimpey: 5.8x
 - Enterprise value: £297m (Source: "Acquisition of Laing Homes Limited" announcement released on 16 October, 2002)
 - EBIT: £52m (Source: "Acquisition of Laing Homes Limited" announcement released on 16 October, 2002)
- Alfred McAlpine / George Wimpey: 8.6x
 - Enterprise value: £461m (Source: "Proposed Acquisition of Alfred McAlpine Homes" announcement released on 14 August, 2001)
 - EBIT: £54m (Source: "Proposed Acquisition of Alfred McAlpine Homes" announcement released on 14 August, 2001)
- Beazer / Persimmon: 6.4x
 - Enterprise value: £665m based on implied market capitalisation of £538m (Source: "Final Offer for Beazer Group" announcement released 24 January, 2001) and net indebtedness of £127m (Source: Beazer Group Annual Report for Year Ended 30 June, 2000, page 59)
 - EBIT: £104m (Source: Beazer Group Annual Report for Year Ended 30 June, 2000, page 50)
- Bryant / Taylor Woodrow: 6.3x

- Enterprise value: £605m based on implied market capitalisation of £556m (Source: "Offer Update" announcement released 22 January, 2001) and net indebtedness of £50m (Source: Bryant Group Annual Report for Year Ended 31 May, 2000, page 42)
- EBIT: £96m (Source: Bryant Group Annual Report for Year Ended 31 May, 2000, page 30)
- Fairclough Homes / Centex-UK: 9.8x
 - Enterprise value: £187m based on £136m in total cash consideration (Source: Centex Annual Report for Year Ended 31 March, 2001, page 81, \$219m converted at 1.611 GBP / USD on 16 April, 1999) and net indebtedness of £51m (Source: Fairclough Homes Annual Report for Year Ended 31 December, 1998, page 17)
 - EBIT: £19m (Source: Fairclough Homes Annual Report for Year Ended 31 December, 1998, page 5)

8. Selected precedent sponsor transactions:

Date	Target	Acquiror	EV / LTM EBIT
Mar-2018	CALA (52.1% stake)	L&G Capital	7.4x
Aug-2017	Miller Homes	Bridgepoint	6.4x
Sep-2014	Keepmoat	TDR / Sun Capital	8.4x
Mar-2013	CALA	Patron / L&G	8.8x
Mar-2007	Crest Nicholson	HBOS, West Coast Capital	8.8x
Aug-2006	McCarthy & Stone	Uberior, Aldersgate, West Coast Capital	9.1x
Dec-2000	Fairview	3i	4.7x
May-1999	CALA	Dotterel	8.6x
Median			8.5x

"Selected Precedent Transactions" - Enterprise Value over LTM EBIT multiples are based on publicly available information as set out below.

- CALA (52.1% stake) / L&G Capital: 7.4x
 - Enterprise value: £683m based on implied £605m in total cash consideration and borrowings minus cash and cash equivalents of £78m (Source: CALA Group Annual Report for Year Ended 30 June, 2017, page 39)
 - EBIT: £93m (Source: "Legal & General Capital acquires full ownership of CALA Homes" announcement released on 13 March, 2018)
- Miller Homes / Bridgepoint: 6.4x
 - Enterprise value: £655m (Source: "Miller Homes to be acquired by Bridgepoint" announcement released on 2 August, 2017)
 - EBIT: £103m (Source: "Miller Homes to be acquired by Bridgepoint" announcement released on 2 August, 2017)
- Keepmoat / TDR and Sun Capital: 8.4x
 - Enterprise value: £400m (Source: "Travers Smith advises management on the sale of Keepmoat to Sun Capital and TDR Capital" announcement released on 12 September, 2014)
 - EBIT: £48m (Source: Keepmoat Annual Report for Year Ended 31 March, 2014, page 22)
- CALA / Patron and L&G: 8.8x
 - Enterprise value: £210m (Source: "CALA announces new investment partners Patron and Legal & General to acquire the Group" announcement released on 18 March, 2013)
 - EBIT: £24m (Source: CALA Group Annual Report for Year Ended 30 June, 2012, page 28)

- Crest Nicholson / HBOS and West Coast Capital: 8.8x
 - Enterprise value: £870m based on implied market capitalisation of £715m (Source: "Recommended Proposal for the Acquisition of Crest Nicholson by Castle BidCo" announcement released 8 March, 2007) and net indebtedness of £155m (Source: Crest Nicholson Trading Statement on 25 January, 2007)
 - EBIT: £99m (Source: Crest Nicholson Trading Statement on 25 January, 2007)
- McCarthy & Stone / Uberior, Aldersgate and West Coast Capital: 9.1x
 - Enterprise value: £1,138m based on implied market capitalisation of £1,134m from 105.4m fully diluted number of shares and 1,075p offer price (Source: "Offer for McCarthy & Stone by Mother BidCo" released on 1 August, 2006) and net debt of £5m (Source: McCarthy & Stone Interim Report for Period Ended 28 February, 2006)
 - EBIT: £126m (Source: McCarthy & Stone Annual Report for Year Ended 31 August, 2005, page 44)
- Fairview / 3i: 4.7x
 - Enterprise value: £318m based on implied market capitalisation of £307m (Source: "Recommended Cash Offer" announcement released on 21 December, 2000) and net indebtedness of £11m (Source: Fairview Interim Report for Period Ended 30 June, 2000)
 - EBIT: £68m (Source: Fairview Interim Report for Period Ended 30 June, 2000, LTM figures)
- CALA / Dotterel: 8.6x
 - Enterprise value: £99.2m based on implied market capitalisation of £98.6m (Source: "Increased and Final Cash Offer for CALA" announcement released on 1 June, 1999) and net debt of £0.6m (Source: CALA Annual Report for Year Ended 30 June, 1998, page 3)
 - EBIT: £12m (Source: CALA Annual Report for Year Ended 30 June, 1998, page 26)

Appendix 1 - Indicative terms of Rollover Securities

Set out below are the indicative terms of the Rollover Securities, subject to tax structuring

1. Voting Rights

Rollover Securities would not carry any general voting rights at general meetings of Holdco.

2. Substantial Shareholder

Any holder of Rollover Securities holding more than 10 per cent. of the issued ordinary share capital of Holdco following completion (a "**Substantial Shareholder**") would be entitled to appoint an observer to attend and speak (but not vote) at meetings of the board of Holdco.

A Substantial Shareholder would have the right to receive annual audited accounts and quarterly financial reports.

3. Unlisted

The Rollover Securities would be unlisted.

4. Transfers of the Rollover Securities

Rollover Securities would not be transferable (directly or indirectly) during an initial five-year lock-up period (the "**Lock-up Period**") without the prior written consent of In-Cap except pursuant to the drag and tag rights described below, a reorganisation approved by In-Cap or in respect of customary permitted transfers to associates.

Following the expiration of the Lock-up Period, a holder of Rollover Securities (a "**Rollover Shareholder**") would be entitled to transfer its Rollover Securities (provided that any such transfer is for all (but not part) of the Rollover Securities held by such Rollover Shareholder), subject to a right of first refusal on the part of In-Cap or its nominee and to certain other restrictions in respect of the identity of the proposed transferee. In particular, any proposed transferee of Rollover Securities after the Lock-up Period:

- would be required to adhere to the relevant shareholders' agreement;
- would be required to complete any applicable anti-money laundering, anti-bribery and corruption, anti-sanctions and "know your client" checks reasonably required by In-Cap and/or any antitrust or regulatory change in control approvals required by any regulator; and
- must not be considered by In-Cap to be a competitor of the Company or a person whose investment is likely to result in reputational harm to the Company, In-Cap or their respective affiliates

5. **Additional Rollover Security Issues**

The Rollover Shareholders would be entitled to participate *pro rata* in securities issues after completion, subject to customary exceptions, including issuances (i) by one wholly owned member of the group to another wholly owned member of the group; (ii) to any affiliate of In-Cap to finance the Acquisition; (iii) to actual or potential employees, directors or consultants (whether directly or indirectly), (iv) other than to In-Cap or its affiliates, for non-cash consideration on the acquisition of, or merger with, all or part of another business, undertaking, company or assets; (v) other than to In-Cap or its affiliates, in connection with the debt financing arrangements of the group; and (vi) in connection with an IPO or a pre-IPO reorganisation.

Emergency security issues on a non-pre-emptive basis shall be permitted with customary *pro rata* "catch up" rights.

6. **Exit Arrangements**

Any future share sale, asset sale, IPO, winding-up or other form of liquidity event relating to the group (an "**Exit**") would occur at the absolute discretion of In-Cap.

All holders of Rollover Securities would be required to co-operate and take such actions in respect of any proposed Exit as are reasonably requested by In-Cap. This shall include, without limitation: any reorganisation, restructuring or other corporate (or similar) action required to facilitate such Exit; providing warranties as to the title to the Rollover Securities held by such holder and its capacity to transfer such Rollover Securities; and, in the case of an IPO, entering into customary "lock-up" undertakings.

7. **Drag-Along and tag-along**

In-Cap shall have a customary drag right (i.e. force a sale) on the same economic terms on any transfers of direct or indirect shareholdings which would result in a change of control.

Rollover Shareholders shall have a customary tag right on the same economic terms on any transfer of direct or indirect shareholdings by In-Cap (other than in respect of certain excluded instances including, but not limited to, customary permitted transfers to affiliates, any current or prospective director, officer, employee or consultant of the group, reorganisation, IPO, where a drag right has been exercised, and/or any "silent syndication" to limited partners and/or co-investors).

8. **Risk factors**

If the Possible Offer proceeds, a more detailed set of risk factors will be set out in any firm intention announcement under Rule 2.7 of the Code but will include, among other things, the following

- the Rollover Securities will comprise securities in a private and unquoted company, and there is no current expectation that they will be listed or admitted to trading on any exchange or market for the trading of securities, and will therefore be illiquid;

- the value of the Rollover Securities will at all times be uncertain and there can be no assurance that any such securities will be capable of being sold in the future or that they will be capable of being sold at the value to be estimated by Moelis & Company in any offer documentation;
- the holders of Rollover Securities will not enjoy any minority protections or other rights save for those rights prescribed by applicable law; and
- the holders of Rollover Securities will not be afforded the same level of protections and disclosure of information that they currently benefit from as shareholders in the Company as a listed company.