



26 March 2018

## **Freehold Property Valuations**

Science Group plc owns two freehold properties which house the majority of the Group's employees. As advised at the time of the release of the Group's results on 28 February 2018, the Board has undertaken a formal independent valuation of these properties. This is consistent with the Board's 5 year review period but aligning both properties onto the same valuation schedule.

Each property has been valued on several models :

- Market Valuation, including third party tenants but excluding Science Group;
- Vacant possession, assuming a reasonable period to find a purchaser but with no tenancies;
- Sale and leaseback model, based on Science Group providing a 15 year lease at current market rental rates.

It should be emphasised that the Board has no intentions of making any changes to current operations or ownership of the properties and this is a financial valuation exercise to ensure the Group's assets are managed appropriately.

### **Harston Mill**

Located to the south west of Cambridge, the property of approx. 81,600 sq ft Net Internal Area ("NIA") comprising offices and laboratories is sited on 16.2 acres with car parking for around 285 vehicles. Approx. 28,100 sq ft is currently sub-let on short term leases.

On the scenarios outlined above, the independent valuation indicates :

- Market valuation : £16,730,000
- Vacant possession : £14,570,000
- Sale and leaseback : £22,460,000

### **Great Burgh**

Located to the south east of Epsom, the property of approx. 34,700 sq ft NIA comprising offices, laboratories and conference facilities, is sited on 8.9 acres with car parking for around 100 vehicles. There are no third-party tenants.

On the scenarios outlined above, the independent valuation indicates :

- Vacant possession : £8,070,000
- Sale and leaseback : £11,440,000



### **Summary**

The Board holds the freehold properties on the balance sheet on a historical cost basis and depreciated to a residual value. At 31 December 2017, the assets were held on the balance sheet at a value of £21.7 million.

The independent valuation indicates an aggregate Vacant Possession value of around £22.6 million and, based on current market rents and property yields, an aggregate Sale & Leaseback value of around £33.9 million.

**- Ends -**

### **For further information:**

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### **Notes:**

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulations