SEE A BRIGHTER WAY

Value and Risk Advisory Arviointilausunto

Tilaaja: Cityvarasto Oyj
Kohde: Cityvaraston Pienvarastokiinteistöportfolio (vain omistus- ja vuokraoikeuskiinteistöt)

Päivämäärä: 12.9.2025

Tämä arviointilausunto on laadittu ainoastaan Tilaajan ja erikseen nimettyjen Vastaanottajien käyttöön. Mikäli ette ole tämän arviointilausunnon Tilaajaa tai siinä nimenomaisesti mainittu Vastaanottaja, tai ellei teitä ole muutoin yksilöity sellaiseksi osapuoleksi, jolle Jones Lang LaSalle Finland Oy:llä on huolehtimisvelvollisuus, yhtiöllämme ei ole mitään vastuuvelvoitetta teitä kohtaan tämän raportin sisällön osalta, eikä teillä ole oikeutta luottaa siihen.

Liitteet

12.9.2025

Cityvarasto Oyj
Vetokuja 4
01610 Vantaa
Suomi

Ja

Skandinaviska Enskilda Banken AB (publ) Helsinki Branch
Eteläesplanadi 18
00130 Helsinki
Suomi

(molemmat Vastaanottajia alla esitetyn mukaisesti)

Jones Lang LaSalle Finland Oy
Keskuskatu 7
FI-00100 Helsinki
Suomi

Toimeksiannon ehdot

Vastaanottajat:	Arviointilausunnon Tilaaja on Cityvarasto Oyj. Arviointilausunto on osoitettu seuraaville tahoille: 1) Cityvarasto Oyj, Vetokuja 4, 01610 Vantaa, Suomi And 2) Skandinaviska Enskilda Banken AB (publ) Helsingin sivuliike, Eteläesplanadi 18, 00130 Helsinki, Suomi Yhdessä "**Vastaanottajat**". Selvyyden vuoksi todettakoon, että otamme ohjeita vastaan ainoastaan Tilaajalta.
Toimeksiannon ehdot ja arvion tarkoitus:	9.7.2025 päivätyn toimeksiantosopimuksemme mukaisesti meitä on pyydetty laatimaan Cityvarasto Oyj:lle (”**Tilaaja”, ”Yhtiö”)** ja Skandinaviska Enskilda Banken AB (publ) Helsingin sivuliikkeelle raportti, joka noudattaa Esiteasetuksen (EU) 2017/1129, ESMA:n päivitettyjen CESR-suositusten (ESMA/2013/319), arvopaperimarkkinalain (746/2012) ja Nasdaq First North Growth Market Rulebook -sääntöjen vaatimuksia ("**Määräykset**") ("**Arviointilausunto**"), sisällytettäväksi Yhtiön julkaisemaan esitteeseen ("**Esite**") ("**Tarkoitus**") liittyen suunniteltuun listautumisantiin ja listautumiseenne Nasdaq First North Growth Market Finland -markkinapaikalle ("**Suunniteltu Transaktio**") ("**Toimeksianto**"). Tiedostamme, että Arviokirja julkaistaan Esitteen yhteydessä Määräysten mukaisesti. Arvonmäärityksemme ja Arviokirjamme on laadittu voimassa olevien RICS Valuation – Global Standards -standardien mukaisesti, jotka noudattavat kansainvälisiä arviointistandardeja (yhdessä "RICS Red Book"). Määräysten mukaisesti olemme vastuussa tästä arviokirjasta ja hyväksymme vastuun tässä arviokirjassa olevista tiedoista ja vahvistamme, että parhaan tietomme mukaan tässä arviokirjassa olevat tiedot ovat tosiasioiden mukaisia eivätkä sisällä sellaisia puutteita, jotka todennäköisesti vaikuttaisivat niiden oikeellisuuteen. Tämä arviointilausunto noudattaa Esiteasetusta (EU) 2017/1129, ESMA:n päivitettyjä CESR-suosituksia (ESMA/2013/319) ja arvopaperimarkkinalakia (746/2012), ja valtuutamme sen käyttämisen Esiteasetuksen (EU) 2017/1129, ESMA:n päivitettyjen CESR-suositusten

(ESMA/2013/319) ja arvopaperimarkkinalain (746/2012) mukaisiin tarkoituksiin. Jones Lang Lasalle Finland Oy on antanut suostumuksensa tämän arviokirjan sisällyttämiseen suomenkieliseen Esitteeseen, jonka Suomen Finanssivalvonta on hyväksynyt, sekä epäviralliseen englanninkieliseen tarjousasiakirjaan.

Kiinteistöt on arvioinut Clive Drury, joka on pätevä suorittamaan arvioinnin Määräysten mukaisesti.

Kiinteistöjen osoitteet & hallintaperuste: (yksittäin "Kiinteistö" ja yhdessä "Kiinteistöt")

Kohde No.	Kiinteistön nimi	Osoite	Hallintaperuste
1	Espoo Kivenlahti	Ruukinmestarintie 5-7, 02330 Espoo, Suomi	Omistustontti
2	Espoo Laajalahti	Kirvuntie 22, 02140 Espoo, Suomi	Omistustontti
3	Espoo Leppävaara	Vallikallionkatu 7, 02650 Espoo, Suomi	Omistustontti
4	Espoo Nihtisilta	Nihtisillankuja 5, 02630 Espoo, Suomi	Omistustontti
5	Espoo Niittykumpu	Taivalmäki 9, 02200 Espoo, Suomi	Omistustontti
6	Espoon keskus	Kamreeritie 10, 02770 Espoo, Suomi	Omistustontti
7	Hämeenlinna Kankaantausta	Virvelitie 12, 13100 Hämeenlinna, Suomi	Omistustontti
8	Helsinki Herttoniemi	Kirvesmiehenkatu 10, 00880 Helsinki, Suomi	Omistustontti
9	Helsinki Jakomäki	Jakomäentie 1 A, 00770 Helsinki, Suomi	Vuokratontti
10	Helsinki Konala	Hankasuontie 6, 00390 Helsinki, Suomi	Omistustontti
11	Helsinki Lauttasaari	Veneentekijäntie 16, 00210 Helsinki, Suomi	Vuokratontti
12	Helsinki Malmi	Malminkaari 10, 00700 Helsinki, Suomi	Omistustontti
13	Helsinki Metsälä	Läkkisepänkuja 7, 00620 Helsinki, Suomi	Vuokratontti
14	Helsinki Oulunkylä	Kylänvanhimmantie 29, 00640 Helsinki, Suomi	Vuokratontti
15	Helsinki Pasila	Maistraatinportti 4, 00240 Helsinki, Suomi	Vuokratontti
16	Helsinki Pitäjänmäki	Karvaamokuja 6, 00380 Helsinki, Suomi	Vuokratontti
17	Helsinki Roihupelto	Levytie 2-4, 00880 Helsinki, Suomi	Vuokratontti
18	Hyvinkää Hämeenkatu	Munckinkatu 12 / Hämeenkatu 66 L 3, 05880 Hyvinkää, Suomi	Omistustontti
19	Hyvinkää Veikkari	Helletorpankatu 39, 05840 Hyvinkää, Suomi	Omistustontti
20	Järvenpää Sorto	Pietolankatu 11, 04410 Järvenpää, Suomi	Omistustontti

21	Joensuu Noljakka	Nuottaniementie 2, 80140 Joensuu, Suomi	Vuokratontti
22	Jyväskylä Kirri	Kirrinkuja 1, 40270 Jyväskylä, Suomi	Omistustontti
23	Kerava Ahjo	Ketjutie 3, 04220 Kerava, Suomi	Omistustontti
24	Kotka Hovinsaari	Liitulahdentie 3, 48210 Kotka, Suomi	Omistustontti
25	Kouvola Kasarminmäki	Prikaatintie 3, 45100 Kouvola, Suomi	Omistustontti
26	Kouvola Kuusankoski	Puistokatu 1, 45700 Kuusankoski, Suomi	Omistustontti
27	Kuopio Haapaniemi	Tehdaskatu 10, 70620 Kuopio, Suomi	Vuokratontti
28	Kuopio Levänen	Satulasepänkatu 3, 70700 Kuopio, Suomi	Vuokratontti
29	Mikkeli Keskusta	Yrittäjänkatu 10, 50130 Mikkeli, Suomi	Omistustontti
30	Lahti Sopenkorpi	Okeroistentie 1, 90530 Lahti, Suomi	Vuokratontti
31	Lahti Tonttila	Salonaukio 9, 15170 Lahti, Suomi	Omistustontti
32	Oulu Alppila	Kaarnatie 24, 90530 Oulu, Suomi	Vuokratontti
33	Oulu Rusko	Posanlenkki 14, 90620 Oulu, Suomi	Vuokratontti
34	Oulu Liitintie	Liitintie 14, 90620 Oulu, Suomi	Vuokratontti
35	Oulu Limingantulli	Jääsalontie 12, 90400 Oulu, Suomi	Vuokratontti
36	Pori Impola	Ojantie 14, 28130 Pori, Suomi	Vuokratontti
37	Porvoo Tarmola	Kisällintie 6, 06150 Porvoo, Suomi	Omistustontti
38	Salo keskusta	Mariankatu 19, 24240 Salo, Suomi	Vuokratontti
39	Savonlinna keskusta	Olavinkatu 45, 57100 Savonlinna, Suomi	Omistustontti
40	Seinäjoki Päivölä	Kullervonkatu 5, 60120 Seinäjoki, Suomi	Omistustontti
41	Tampere Armonkallio	Lapintie 26, 33100 Tampere, Suomi	Vuokratontti
42	Tampere Viinikankulma	Viinikankatu 1b, 33100 Tampere, Suomi	Omistustontti
43	Turku Pitkämäki	Pitkämäenkatu 9, 20250 Turku, Suomi	Omistustontti
44	Tuusula Hyrylä	Pataljoonantie 24, 04300 Tuusula, Suomi	Omistustontti

45	Vaasa Liisanlehto	Liisalehdontie 2, 65380 Vaasa, Suomi	Omistustontti
46	Vantaa Kaivoksela	Vetokuja 4, 01610 Vantaa, Suomi	Omistustontti
47	Vantaa Varisto	Martinkyläntie 43, 01720 Vantaa, Suomi	Omistustontti
48	Ylöjärvi keskusta	Teollisuustie 4, 33470 Ylöjärvi, Suomi	Omistustontti
49	Kerava Jäspilä	Ratapellonkuja 3, 04250 Kerava, Suomi	Omistustontti
50	Tampere Varastokatu	Yliopistonkatu 46 C, 33100 Tampere, Suomi	Omistustontti
51	Riihimäki Keskusta	Välittäjä 3, 11100 Riihimäki, Suomi	Omistustontti
52	Järvenpää Keskusta	Seutulantie 3, 04410 Järvenpää, Suomi	Omistustontti

Luottamus:

Tämä Arviokirja on osoitettu seuraavasti:

Vastaamme tästä arviointilausunnosta ja hyväksymme vastuun sen sisältämistä tiedoista Määräysten mukaisesti. Vahvistamme, että parhaan tietomme mukaan ja tehtyämme kaikki kohtuulliset toimenpiteet tietojen varmistamiseksi, raportissa esitetyt tiedot vastaavat tosiasioita eivätkä sisällä puutteita, jotka voisivat vaikuttaa kohteiden arvoon. Arviointilausunto on laadittu Määräysten mukaisesti ja valtuutamme sen käytön Suunnitellun Transaktion mukaisiin tarkoituksiin.

Tämä Arviokirja on osoitettu yhteisesti Vastaanottajille nimettyä arvion Tarkoitusta varten. Kolmansilla osapuolilla ei ole oikeutta luottaa arvioon.

Arviokirjan luonnosversioihin ei ole oikeutta vedota.

Me emme toimi Yhtiön itsensä arvioijina; Yhtiön arvonmääritys ja Yhtiön Nettoarvon määrittäminen jäävät Yhtiön vastuulle. Roolimme rajoittuu Kiinteistöjen arvonmääritykseen RICS Red Book -sääntöjen ja raportissamme esitettyjen ehtojen mukaisesti.

Tämä Arviokirja on laadittu ainoastaan nimettyä Tarkoitusta varten eikä sitä saa jäljentää tai käyttää mihinkään muuhun tarkoitukseen ilman meidän etukäteistä suostumustamme.

Vastuun mahdollisesta laajentamisesta Luottavien Osapuolten ulkopuolelle veloitetaan lisämaksu. Vastuuta laajennettaessa kaikkia osapuolia tulisivat koskemaan kaikki toimeksiannossa sovitut ehdot, mukaan lukien vastuun yhteenlaskettu enimmäismäärä.

Lukuun ottamatta vastuutamme kuolemasta tai henkilövahingosta, joka johtuu huolimattomuudestamme tai työntekijöidemme, edustajiemme tai alihankkijoidemme huolimattomuudesta tai petoksesta tai vilpillisestä harhaanjohtamisesta (jota ei ole millään tavoin rajattu tai rajoitettu):

a) emme ole missään olosuhteissa vastuussa mistään välillisistä tai seuraamuksellisista menetyksistä, jotka johtuvat Arviointilausunnosta tai liittyvät siihen; ja

b) kokonaisvastuumme kaikista tähän lausuntoon liittyvistä tai siitä johtuvista menetyksistä, olipa kyseessä sopimus, rikkomus (mukaan lukien huolimattomuus), lakisääteisen velvollisuuden rikkominen tai muu, ei ylitä välillämme ja Vastaanottajien kesken sovittua rahamäärää, kuten Toimeksiannossa on esitetty. Tämä määrä on yhteenlaskettu vastuun enimmäismäärä kaikille Vastaanottajille yhteensä.

Meillä ei ole missään olosuhteissa vastuuta mihinkään sijoituspäätökseen, mikä on tehty ennen Arviointilausunnon julkaisua.

	Mikäli ette ole tämän Arviointilausunnon Tilaaja tai siinä nimetty Vastaanottaja, tai ellei teitä ole nimenomaisesti yksilöity osapuoleksi, jota kohtaan meillä on huolehtimisvelvollisuus ja jolla on oikeus luottaa tähän Arviointilausuntoon, Jones Lang LaSalle Suomi Oy ei ota mitään vastuuta teitä kohtaan Arviointilausunnon sisällöstä, eikä teillä ole oikeutta luottaa siihen.
Hallintaperuste:	Esitetty yllä olevassa kohdetaulukossa.
Legal Due Diligence:	Oikeudellinen neuvonantajanne on toimittanut meille 9.7.2025 päivätyn due diligence -raportin, jossa todetaan suorien tai välillisten tytäryhtiöidenne rekisteröidyn omistustontin omistusoikeuden tai vuokraoikeuden kuhunkin kiinteistöön, mukaan lukien vahvistuksen omistuksestanne tällaisten tytäryhtiöiden osakkeisiin. Tämä on toimitettu JLL:lle tarkastettavaksi, ja voimme vahvistaa hyvän ja markkinakelpoisen omistusoikeuden (omistustontti tai vuokraoikeus). Mikäli ilmenisi olennaisia tietoja, joita ei ole sisällytetty tähän asiakirjaan, pidätämme oikeuden tarkistaa arvonmääritystämme.
Arvopäivä:	30.6.2025
Toimeksiannon päivämäärä:	9.7.2025
Arvioinnin perusta:	Määräysten mukaisesti vahvistamme, että arvonmäärityksemme ja tämä Arviointilausunto on laadittu voimassa olevan RICS Red Bookin mukaisesti Markkina-arvoon perustuen, kuten se on määritelty kokonaisuudessaan Liitteessä 3. Olemme toimineet ulkopuolisina arvioijina kohteille, jotka on yksilöity aiemmin esitetyssä ”Kiinteistöjen osoitteet & hallintaperuste”-taulukossa. *Markkina-arvo: Arvioitu rahamäärä, jolla omaisuuserän tai vastuun pitäisi arvopäivänä vaihtaa omistajaa transaktioon halukkaiden ja toisistaan riippumattomien ostajan ja myyjän välillä asianmukaisen markkinoinnin jälkeen osapuolten toimiessa asiantuntevasti, harkitusti ja ilman pakkoa.* Tätä Arviokirjaa koskevat ja sitä tulisi lukea yhdessä yleisten liiketoimintaehtojemme kanssa, jotka on esitetty Liitteessä 1, sekä Arvonmääritysten ja Raporttien valmistelussa noudatettavien Yleisten Arviointiperiaatteidemme kanssa, jotka on esitetty Liitteessä 2. Realisointikuluja tai veroja (mukaan lukien ALV), joita saattaisi syntyä myyntitilanteessa, ei ole huomioitu, ja kiinteistöjen on oletettu olevan vapaita kaikista kiinnityksistä tai muista rasitteista, joita niihin saattaisi kohdistua. Olemme olettaneet, että Kiinteistöjen mahdollisen myynnin yhteydessä niitä markkinoitaisiin järjestelmällisesti eikä kaikkia kohteita tarjottaisi markkinoille samanaikaisesti.

Oletukset:	**<u>Erityisoletukset</u>** Arvioinnissa ei ole tehty erityisoletuksia. **<u>Oletukset</u>** Olemme olettaneet, että Cityvaraston meille toimittamat ja julkisesti saatavilla olevat tiedot ovat oikeita ja ajantasaisia. Kohteiden ominaisuuksien tarkistus on suoritettu ainoastaan saamiemme tietojen puitteissa. Arvonmäärityksemme perustuu vain näkyvissä olevien alueiden silmämääräiseen tarkastukseen. Emme ole tehneet rakenteellisia kartoituksia emmekä mitään teknisten järjestelmien testauksia. Emme ole suorittaneet tutkimuksia ympäristön epäpuhtauksista tai haitallisista materiaaleista emmekä myöskään ole tehneet ympäristöriskien arviointia. Olemme huomioineet merkittäviä ympäristöön, sosiaalisiin ja hallinnollisiin tekijöihin (ESG) liittyviä näkökohtia arvioijina, emme teknisinä ESG-asiantuntijoina. Emme ole mitanneet Kiinteistöjä ja olemme luottaneet annettuihin pinta-alatietoihin olettaen niiden olevan paikkansa pitäviä. Tarkemmat tiedot arvioinnin periaatteista ja tutkimustemme rajoituksista käyvät ilmi tämän Arviointilausunnon liitteessä 2 olevista Yleisistä Arviointiperiaatteista.
Ohjelmisto:	Arvonmääritys on suoritettu käyttäen meidän omaa räätälöityä Excel-pohjaista pienvarastoarviointimalliamme.
Katselmukset:	Kaikki Kiinteistöt on katselmoitu viimeisten 24 kuukauden aikana.
Arvioija:	Arvion on laatinut Clive Drury FRICS, joka on tämän raportin osalta 'vastuullinen arvioija'. Kimmo Kostiainen MRICS AKA ja Ian Thompson MRICS ovat antaneet arvioinnillista tukea. Vahvistamme, että tästä arvonmäärityksestä vastuussa olevat henkilöt kykenevät toteuttamaan objektiivisen ja puolueettoman arvonmäärityksen ja ovat päteviä suorittamaan toimeksiannon RICS Red Bookin mukaisesti sekä ovat RICS-rekisteröityjä arvioijia.
Status:	Arvonmääritys on suoritettu ulkopuolisina arvioijina (RICS Red Bookin määritelmän mukaisesti).
Tiedonanto ja säännösten noudattaminen:	Vahvistamme, että meillä on voimassa oleva toimeksiantosopimus vuotuisen arvonmäärityksen suorittamiseksi Kiinteistöille 31.12.2024 alkaen. Ammatillisen näkemyksemme mukaan emme katso tämän uhkaavan objektiivisuuttamme ja kykyämme toimia riippumattomasti. Vahvistamme, että yksittäisillä arvioijilla tai JLL:llä ei ole mitään olennaista yhteyttä mihinkään Suunnitellun Transaktion osapuoleen eikä henkilökohtaista intressiä Yhtiöön, Vastaanottajiin tai Kiinteistöihin, lukuun ottamatta Yhtiön meille antamaa toimeksiantoa Kiinteistöjen vuosittaisesta arvonmäärityksestä, mikä johtaisi siihen, että emme täyttäisi "Riippumattoman Arvioijan" vaatimuksia Määräysten tarkoituksia varten. Sitoudumme Yhtiön hyväksi siihen, että emme ryhdy toimiin, jotka voisivat vaarantaa "Riippumattoman Arvioijan" vaatimuksien täyttymisen Toimeksiannon keston aikana. Tilaajan maksamien palkkioiden osuus oli alle 5 % yrityksemme kokonaisliikevaihdosta edellisellä tilikaudella eikä palkkioiden määrässä ole oletettavissa olennaista kasvua käynnissä olevan tai seuraavan tilikauden aikana.

Yrityksellämme on käytössä sisäiset toimintaperiaatteet vastuullisten arvioitsijoiden kierrättämiseksi, emmekä katso allekirjoittajien vaihtamista tällä hetkellä tarpeelliseksi.

Määräysten vaatimusten mukaisesti voimme vahvistaa, että tässä Arviointilausunnossa ilmoitettujen arvojen ja niiden arvojen välillä, jotka raportoitaisiin, mikäli Arvopäivä olisi Esitteen päivämäärä, ei ole olennaista eroa.

Informaatio ja lähtötiedot:

Olemme katselmoineet kohteet sekä suorittaneet tiedusteluja koskien historiallisia liiketoimintatietoja, kaavoituskysymyksiä, kiinteistöjen ominaisuuksia ja sijoitusnäkökohtia.

Tämä raportti on laadittu olettaen, että Asiakkaalla on hyvä ja markkinakelpoinen omistusoikeus Kiinteistöihin eikä niihin kohdistu oikeuksia tai velvollisuuksia, jotka tavanomaisesti raportoitaisiin tai joihin viitattaisiin kiinteistörekisterissä ja jotka voisivat vaikuttaa tässä esitettyihin arvioihin.

Cityvarasto Oyj on toimittanut meille seuraavat tiedot:

- Taloudelliset liiketoimintatiedot
- Pinta-alatiedot
- Kiinteistöjen oikeudellinen due diligence -raportti, päivätty 9.7.2025

Olemme tutustuneet toimitettuihin tietoihin.

Markkina-arvo:

€197 230 000

(Satayhdeksänkymmentäseitsemänmiljoonaa kaksisataakolmekymmentätuhatta euroa)

Yksittäisten kiinteistöjen markkina-arvojen summa.

RICS Red Bookissa esitetty ohjeistus olettaa, että omaisuuserät arvostetaan ja myydään yksitellen kohtuullisen ajanjakson kuluessa riippuen markkinatilanteesta kyseisenä ajankohtana. On kuitenkin syytä huomioida, että Portfolion arvostaminen kokonaisuutena voi johtaa suurempaan tai pienempään arvoon kuin yksittäisten kiinteistöjen yhteisarvo.

Kiinteistöjen lukumäärän ja yhteisarvon jakautuminen hallintaperusteen suhteen on esitetty alla olevassa taulukossa.

Hallintaperuste	Kiinteistöjen lukumäärä	Markkina-arvo
Omistustontti	**34**	**€146 430 000**
Vuokratontti	**18**	**€50 800 000**
Yhteensä	**52**	**€197 230 000**

Lisäksi esitämme alla yksittäisten kiinteistöjen yhteisarvon jaoteltuna maantieteellisiin kategorioihin Cityvaraston pyynnön mukaisesti. Jako on ilmoitettu prosentteina kokonaisarvosta ja luvut on pyöristetty.

Maantieteellinen Kategoria	Määritelmä	%-osuus Markkina-arvosta
1. Helsingin seutu	(Helsinki, Espoo, Vantaa, Järvenpää, Kerava, Hyvinkää ja Tuusula)	65,3%
2. Turun ja Tampereen seudut	(Tampere, Turku, Ylöjärvi)	12,4%
3. Muut yliopistokaupungit	(Joensuu, Jyväskylä, Kuopio, Lahti, Oulu ja Vaasa)	13,4%
4. Muut paikkakunnat	(Hämeenlinna, Kotka, Kouvola, Mikkeli, Pori, Porvoo, Salo, Savonlinna, Seinäjoki ja Riihimäki)	8,9%
Yhteensä		**100,0%**

Ostajan kulut:

Suomessa vallitsevan markkinakäytännön mukaisesti ostajan kuluja ei ole huomioitu arvonmäärityksessä.

Keskinäisinä kiinteistöosakeyhtiöinä (Koy) sekä muina yhtiömuotoina omistettujen kiinteistöjen varainsiirtovero on 1,5 % myyntihinnasta ja suoraan omistettujen kiinteistöjen osalta 3,0 %. Kauppaan liittyvien neuvonanto- ja konsultointipalkkioiden suuruus on tyypillisesti noin 1,5 %.

Arviointimenetelmä:

Pienvarastointikiinteistöjen arvonmääritys suoritetaan VPGA 4:n (Yksittäisten liiketoimintaan liittyvien kiinteistöjen arviointi) mukaisesti. Näin ollen arvonmäärityksemme perustuu täysin varustettuun operatiiviseen kokonaisuuteen sisältäen:

- Hallintaoikeuden tonttiin ja rakennuksiin;
- Kaupallisen irtaimiston, joka tavallisesti käsittää kaikki kaupalliset kalusteet, varusteet, huonekalut ja laitteet;
- Markkinoiden näkemyksen liiketoimintapotentiaalista, pois lukien henkilökohtainen liikearvo, sekä oletetun kyvyn hankkia ja uusia kaikki olemassa olevat lisenssit, suostumukset, todistukset ja luvat; ja
- Asiakkaiden ennakkomaksujen arvon koskien arvopäivän jälkeisiä ajanjaksoja.
- Oletamme myös, että myynnin yhteydessä toimija noudattaa viimeaikaisissa transaktioissa havaitsemiamme toimintamalleja ja:
- Siirtää kaikki asiakkaiden itsevarastointilisenssit sekä suoraveloitus- ja kestotilaukset;
- Sisällyttää kauppaan joko brändin, jolla kiinteistöt toimivat, tai sitoutuu ohjaamaan kaikki verkko- ja puhelinpohjaiset asiakaskyselyt kohtuullisen ajanjakson ajan;
- sekä sitoutuu tarjoamaan lyhytaikaista johtamistukea osana Kiinteistön järjestelmällistä haltuunottoa.

Olemme käyttäneet sekä tuottolähestymistapaa että markkinalähestymistapaa, joka perustuu viimeaikaisiin alan transaktioihin. Kokemuksemme mukaan viimeaikaisissa transaktioissa ostajien pääasiallinen hinnoittelumenetelmä on perustunut diskontattujen kassavirtojen menetelmään, jota tarkistetaan vertaamalla hinnoittelua suhteessa yksinkertaiseen kertoimeen nykyisistä tuloista.

Tuottolähestymistapaan perustuva 'Tuottoperusteinen' arvonmääritysmenetelmä ottaa huomioon pienvarastokiinteistön liiketoimintapotentiaalin tuottaman kassavirran. Rakennusten erikoistuneen suunnittelun ja käytön vuoksi arvo perustuu tyypillisesti niiden kykyyn tuottaa tuloja pienvarastointilaitoksina käytettäessä. Liiketoiminnallisten omaisuuserien arvonmääritykset johdetaan niiden potentiaalisesta tuloksesta ennen korkoja, veroja, poistoja ja arvonalennuksia (EBITDA).

Markkinalähestymistapaan perustuva vertailukelpoisten transaktioiden menetelmä tarkastelee viimeaikaisia transaktioita, joissa pienvarastokiinteistöjä on myyty. Arvostusta mukautetaan heijastamaan eroja sijainnissa, portfolioiden ja kiinteistöjen koossa, fyysisissä ominaisuuksissa, paikallisessa kysynnässä/tarjonnassa, hallintaperusteessa ja liiketoiminnan tasoissa.

Tuottoperusteinen menetelmä: Kohtuullisen tehokas toimija (Reasonably Efficient Operator, “REO”).

Arvonmääritystä tehdessämme Red Book edellyttää meitä arvioimaan kohtuullisen ylläpidettävän liikevaihdon (Fair Maintainable Turnover "FMT") ja kohtuullisen ylläpidettävän liiketoiminnan tuloksen (Fair Maintainable Operating Profit, "FMOP"), jonka kohtuullisen tehokas toimija ("REO") voisi tuottaa kiinteistöissä.

REO edellyttää, että arvioija olettaa markkinaosapuolten olevan päteviä toimijoita, jotka toimivat tehokkaasti. Se sulkee pois nykyisen toimijan henkilökohtaisen liikearvon. FMT on tulo, jonka REO saavuttaisi olettaen, että kiinteistö on täysin ja asianmukaisesti varustettu. FMOP on nettotulo REO:n kaikkien kustannusten ja menojen vähentämisen jälkeen, mukaan lukien kohteen asianmukaisen vuosittaisen kunnostuksen ja ylläpidon.

Olemme rakentaneet diskontattujen kassavirtojen laskentamallin, mikä esittää oletuksemme taustalla olevasta kassavirrasta, jonka uskomme REO:n voivan tuottaa kiinteistössä sekä arvopäivänä että lähitulevaisuudessa kiinteistön käyttöasteen kasvaessa ja sen pyrkiessä maksimoimaan asiakkailta perittävissä olevat vuokratulot. Laskennassa tehdään oletukset kohteen liiketoimintapotentiaalista ja todennäköisestä pitkän aikavälin kestävästä käyttöasteesta. Vakaa käyttöaste riippuu kysynnän luonteesta, kiinteistön koosta ja lähellä sijaitsevasta kilpailusta, ja se ottaa huomioon kohtuullisen vajaakäyttöasteen, jotta toimija voi myydä yksiköitä uusille asiakkaille.

Kassavirran tulo lasketaan arvioimalla liiketoiminnan suorituskyky pienvarastointialan vertailuarvojen avulla, ja siinä otetaan huomioon kohtuullisen toimijan liiketoimintasuunnitelma ja liiketoimintatiedot.

- Tulevaisuuden tulo pienvarastoinnista lasketaan kertomalla saavutettu vuokrataso kunkin vuoden käyttöasteella.

- Neliömetrikohtaista tuloa muokataan heijastamaan käyttöasteita, paikallista kilpailua, ja se saavuttaa enimmäistason, kun toiminnan katsotaan vakiintuneen kohteessa.

- Myös toistaiseksi pienvarastokäyttöön varustamattoman tilan (ns. 'bulk') vuokrauksesta saatava tulo on sisällytetty laskelmaan: kun olemassa oleva pienvarastointitila on saatu vuokrattua ja toiminta on vakiintunut, varustamattomat 'bulk'-tilat muunnetaan arvokkaampaan pienvarastointikäyttöön. Nykyinen vuokrattava pinta-ala ("CLA") on varustettujen yksiköiden kokonaispinta-ala. Maksimivuokrattava pinta-ala ("MLA") on kokonaispinta-ala, jonka laitos voi majoittaa ollessaan täysin varustettu.

- Muu tulo, kuten vähittäismyynti – pakkausmateriaalien, riippulukkojen ja vakuutusten myynnistä saatava nettomarginaali – lasketaan prosenttiosuutena pienvarastoinnin tuloista. Tarvittaessa tätä muutetaan vuosittain.

Kulut vähennetään ja ne arvioidaan samalla tavalla kuin tulot:

■ Kulut, joita REO:lle aiheutuisi kiinteistöveroista, henkilöstökuluista, korjauksista ja kunnossapidosta, hyödykkeistä, markkinoinnista ja luottotappioista arvioidaan ja huomioidaan laskennassa.

■ Operaattorikustannuksien osalta tehdään vähennys, joka ottaa huomioon toimijan liiketoimintakulut, jotka eivät kohdistu suoraan kiinteistöön. Toimialalla tyypillisesti käytetty kustannus on 7 % liikevaihdosta, johon sovelletaan ylä- ja alarajaa. Tämä on samaa suuruusluokkaa, kuin ulkoisten palveluntarjoajien veloitukset kohteiden hallinnoinnista pienvarastotoimialalla.

■ Investointimenot, jotka liittyvät tilojen varustamiseen ja ottamiseen pienvarastointikäyttöön, vähennetään. Lisäksi tehdään laskennallinen vähennys kattamaan pitkän aikavälin peruskorjauskustannukset ja -investoinnit.

Laskennallinen kassavirtakausi on 10 vuotta, jonka jälkeen jäännösarvo kapitalisoidaan kohteen kokonaisriskiprofiilia kuvastavalla tuottovaatimuksella, joka heijastaa kohteen liiketoiminnan implisiittistä tulevaa kasvua tai hypoteettista myyntiä.

Malli on nykyisissä hinnoissa – eli kyseessä on reaalinen laskentamalli. Mallinnetut tuotot ja kasvuasteet ovat nettomääräisiä inflaation kasvun jälkeen.

Olemme diskontanneet FMOP:n asianmukaisella korolla, joka heijastaa kassavirtoihin liittyviä riskejä. Diskonttokoron määrittämisessä olemme ottaneet huomioon:

■ Painotetun keskimääräisen pääomakustannuksen (The Weighted Average Cost of Capital, ”WACC”) – joka soveltaa velkakustannusten ja vaadittujen oman pääoman tuottojen sekoitusta keskimääräisen pääomakustannuksen määrittämiseksi – heijastaen velan ja oman pääoman tarjontaa markkinoilla;

■ Vertailuaineistomme viimeaikaisista transaktioista ja niiden perusteella saavutettavasta tulevien kassavirtojen sisäisestä korkokannasta (IRR); ja

■ Tavoitetuotot muissa omaisuusluokissa (kuten hallinnoiduissa työtiloissa), joihin on tehty mukautuksia riskiprofiilin ja likviditeettierojen heijastamiseksi.

Olemme sitten testanneet kassavirran herkkyyden nähdäksemme muutosten vaikutuksen arvoon, kun avainmuuttujia muutetaan, mukaan lukien:

■ Diskonttokorko ja kapitalisointikorko; sekä

■ kustannusten ja tulojen kasvuvauhti.

Markkina-arvoa määritettäessä on erittäin tärkeää havainnoida, kuinka herkkä arvonmääritys on pienille muutoksille syöttötiedoissa. Herkkyysanalyysin avulla voimme nähdä muutosten vaikutukset tuleviin kassavirtoihin ja arvioida niihin kohdistuvia riskitekijöitä – ja ottaa ne huomioon diskonttokorkomme valinnassa.

Diskontattujen kassavirtojen menetelmän tarkistuksena, ja omana vertailukelpoisena lähestymistapana, olemme jakaneet tuottomenetelmällä lasketun kohdekohtaisen nettonykyarvon kunkin kiinteistön MLA:lla tarkastellaksemme kiinteistön neliömetrikohtaista pääoma-arvoa.

Olemme verranneet tätä yksikköhintaa viimeaikaisiin transaktioihin ja niissä maksettuihin yksikköhintoihin, ja merkittävien erojen tapauksessa tarvittaessa hienosäätäneet parametrejä edellä esitettyjen periaatteiden mukaisesti.

Salassapito ja julkaiseminen:

Tämä Arviointilausunto on osoitettu Vastaanottajille raportissa esitettyä Tarkoitusta varten. Emme ota vastuuta lausunnosta tai sen sisällöstä kolmansia osapuolia kohtaan (paitsi Luottaville Osapuolille). Arviointilausuntoa, mitään sen osaa tai viittausta siihen ei saa julkaista missään lausunnossa tai kiertokirjeessä eikä muussa kolmansien osapuolten kanssa käytävässä viestinnässä ilman etukäteistä kirjallista hyväksyntäämme (joka on Toimeksiannon ehtojen mukaisesti yksinomaisessa harkinnassamme) sekä hyväksyntäämme muodosta ja asiayhteydestä, jossa se tulee esiintymään.

Olemme toimittaneet suostumuskirjeen Nasdaq First North Growth Market Rulebook -sääntöjen mukaisesti, joka toteaa, että (i) olemme antaneet emmekä ole peruuttaneet etukäteistä kirjallista suostumustamme tämän Arviointilausunnon julkaisemiseen Esitteessä; (ii) annamme suostumuksemme muotoon ja asiayhteyteen, jossa tämä Arviokirja esiintyy Esitteessä, ja (iii) Määräysten mukaisesti vahvistamme, että tässä Arviointilausunnossa ilmoitettujen arvojen ja niiden arvojen välillä, jotka raportoitaisiin, mikäli Arvopäivä olisi Esitteen päivämäärä, ei ole olennaista eroa.

Arviointilausuntoa, mitään sen osaa tai viittausta siihen ei saa julkaista muissa asiakirjoissa kuin Esitteessä ja/tai missään muissa Yhtiön Suunnitellun Transaktion yhteydessä julkaisemissa tiedotteissa, asiakirjoissa ja/tai täydentävissä asiakirjoissa ilman etukäteistä kirjallista hyväksyntäämme muodosta ja asiayhteydestä, jossa se tulee esiintymään. Hyväksyntäämme ei vaadita, jos julkistaminen (i) tehdään ilman vastuunottoa Vastaanottajan toimesta sen konserniyhtiöille, toimihenkilöille, työntekijöille, asiamiehille, vakuutuksenantajille, tilintarkastajille, pankeille ja/tai konserniyhtiöiden ammatillisille neuvonantajille Suunniteltuun Transaktioon liittyen, (ii) on sovellettavan lain, säännösten tai pörssin sääntöjen, toimivaltaisen tuomioistuimen tai muun toimivaltaisen oikeudellisen tai hallinnollisen elimen vaatimaa, (iii) on Tarkoitusta varten. Hyväksymme, että tämä Arviokirja asetetaan saataville tarkastelua varten ja julkaistaan Cityvarasto Oyj:n toimesta Esitteen yhteydessä sekä epävirallisen englanninkielisen tarjousasiakirjan yhteydessä.

Jos missään vaiheessa syntyy tarve sisällyttää arvonmääritys tai tämä Arviointilausunto, tai mikä tahansa viittaus siihen, mihinkään esitteeseen, osakkeenomistajille suunnattuun kiertokirjeeseen tai vastaavaan julkiseen asiakirjaan, joka ei ole Esite ja/tai mikään muu Yhtiön Suunniteltuun Transaktioon liittyen julkaisema tiedote, asiakirja ja/tai täydentävä asiakirja, meidän nimenomainen suostumuksemme vaaditaan. Suostumus voidaan antaa vasta mahdollisten lisävastuiden selvittämisen jälkeen, ja lisämaksu voi tulla kyseeseen (mikä on yksinomaisessa harkinnassamme). Voimme myös tarvittaessa vaatia Arviointilausunnon täydentämistä sisältämään riittävän kuvauksen toimeksiantomme ehdoista.

Tiedostamme, että Mahdollinen Transaktio on luottamuksellinen, ja että meille toimitetut tiedot saattavat sisältää ei-julkista, hintoihin vaikuttavaa, arkaluonteista tietoa.

Kunnioittaen,

Clive Drury FRICS	**Kimmo Kostiainen** AKA MRICS	**Ian Thompson** MRICS
Value and Risk Advisory	**Value and Risk Advisory**	**Value and Risk Advisory**

Jointly for and on behalf of Jones Lang LaSalle Suomi Oy

LIITE 1

SEE A BRIGHTER WAY

General Terms and Conditions of Business for Valuations: EMEA

1. AGREEMENT.

1.1. These Terms together with any Engagement (see below for the defined term) set out the terms on which JLL will provide the Services to the Client. Each of the provisions provided in the Agreement are severable and distinct from the others.

1.2. The Engagement shall prevail to the extent of any conflict between the Terms, and the Engagement. The Agreement supersedes any previous arrangement concerning its subject matter. Unless the Parties agree otherwise, these Terms shall apply to any future instructions from the Client, although such instructions may be subject to a separate Engagement.

2. INTERPRETATION.

The following definitions and rules of interpretation apply in these Terms:

2.1. **Definitions**.

"Affiliates" includes in relation to either Party each and any subsidiary or holding company of that Party and each and any subsidiary of a holding company of that Party and any business entity from time to time controlling, controlled by, or under common control with, either Party, and "holding company" or "subsidiary" shall be understood as defined in applicable Governing law;

"Agreement" means any Engagement and these Terms together;

"Client" means the Party who enters into the Agreement with JLL;

"Data Protection Legislation" means the data privacy laws and regulations in force from time to time in the Jurisdiction;

"Engagement" means the agreement, letter of engagement or engagement agreement or email and any schedules / appendices sent to the Client by JLL (or agreed in writing) which sets out details of the Services to be provided to the Client pursuant to the Agreement;

"Governing Law" means the law applicable to the Services as set out in the relevant Engagement;

"Insolvent" means in relation to:

(a) a company (including any body corporate), that it:

(i) is unable to pay its debts as they fall due;
(ii) becomes or is deemed insolvent;
(iii) has a notice of intention to appoint an administrator filed at Court in respect of it, has an administrator appointed over, or has an administration order in relation to it, or has appointed a receiver or an administrative receiver over, or an encumbrancer takes possession of or sells the whole or part of its undertaking, assets, rights or revenue;
(iv) passes a resolution for its winding up or a court of competent jurisdiction makes an order for it to be wound up or dissolved or it is otherwise dissolved (other than a voluntary winding up solely for the purpose of a solvent amalgamation or reconstruction); or
(v) enters into an arrangement, compromise or composition in satisfaction of its debts with its creditors or any class of them or takes steps to obtain a moratorium or making an application to a court of competent jurisdiction for protection of its creditors;

(b) a partnership, that it is dissolved by reason of the bankruptcy of one or more of its partners;

(c) an individual, that they are bankrupt; or

(d) a Party based outside the country where the Services are provided, that it is considered insolvent by the laws applicable to that Party;

"JLL" means Jones Lang LaSalle Incorporation and/or any Affiliate of JLL that according to the Engagement provides the Services to the Client;

"**Jurisdiction**" shall be the one established in the relevant Engagement;

"Materials" means all materials, equipment, documents and other property of JLL made available to the Client by JLL in carrying out the Services;

"Party" means either the Client or JLL (as the context requires) and **"Parties"** shall mean both of them;

"Services" means the Services set out in the Engagement or as otherwise agreed in writing between the Parties;

"Terms" means these terms and conditions;

2.2. Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.

2.3. A reference to a statute or statutory provision is a reference to it as it is in force as at the date of the Agreement and shall include all subordinate legislation made as at the date of the Agreement under that statute or statutory provision.

2.4. A reference to writing or written unless otherwise specified herein includes email.

2.5. Any words following the terms including, include, or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.6. Headings are for convenience only and do not affect the interpretation of this Agreement.

3. SERVICES.

3.1. JLL shall provide the Services using reasonable care and skill.

3.2. JLL has no obligation to provide any services other than the Services and has no obligation to provide nor any liability for:

a) an opinion on the price of a property (unless specifically agreed in writing);
b) any advice regarding the condition of a property (unless specifically agreed in writing);
c) the security or management of a property unless specifically instructed to arrange it;
d) the safety of any third party entering any premises; or
e) the management or payment of any third party suppliers.

3.3. Where agreed in writing JLL shall use reasonable endeavors to meet any performance dates. JLL shall not be responsible for any failure to meet performance dates due to causes outside its reasonable control and time shall not be of the essence for performance of the Services.

3.4. JLL shall have the right to make any changes to the Services which are necessary to comply with any applicable law, regulation, safety requirement, or which do not materially affect the nature or quality of the Services and JLL shall notify the Client in any such event.

3.5. Additional scope of services that differs from the Services agreed upon in the Engagement shall entitle JLL to additional fees, which shall be calculated as set out in clause 5.1.

3.6. Without prejudice to clause 9.2(b), if JLL becomes aware of a conflict of interest, it shall advise the Client and take reasonable steps to recommend a course of action.

3.7. Use of Technology: JLL may use electronic communication and systems, including a digital dashboard, to provide Services. Any necessary software not generally available will be made accessible to the Client whilst a continuing client of JLL under this Agreement. It is hereby agreed upon between all parties that the final signed report as described in the letter of engagement shall serve as the sole, authoritative source of information, on which all reliance should be based. Any additional sharing of values or content from the report through any technology platform including a digital dashboard is intended for the sole purpose of improving service delivery and convenience. JLL might implement future updates to its technology platforms and digital dashboards to enhance service delivery.

3.8. JLL may use artificial intelligence, including generative artificial intelligence, when providing the Services.

4. CLIENT OBLIGATIONS.

4.1. The Client shall:

a) notify JLL promptly if it considers that any details or requirements set out in the Engagement are incomplete or inaccurate;
b) co-operate with JLL in all matters relating to the Services;
c) provide JLL, its employees, agents, consultants and subcontractors, with access to the relevant property as reasonably required by JLL to provide the Services;
d) promptly provide JLL with such information and materials as it may reasonably require in order to supply the Services, and warrants that such information is complete and accurate;
e) obtain and maintain all necessary licenses, permissions and consents which may be required before the date on which the Services are to start;
f) maintain a high standard of professional conduct at all times, including respecting the rights and dignity of all individuals, maintaining confidentiality when required, and adhering to all applicable laws, regulations, and professional standards; and
g) to hold harmless JLL against third-party claims (including without limitation all third-party actions, claims, proceedings, loss, damages, costs and expenses) in connection with the Services excluding Subcontractors as defined in clause 13.1.

4.2. In the event of any act or omission by the Client in breach of the Agreement or failure by the Client to perform any essential obligation (Client Default):

a) JLL shall without limiting its other rights or remedies have the right to suspend performance of the Services until the Client remedies the Client Default, and to rely on the Client to relieve it from the performance of any of its obligations to the extent the Client Default prevents or delays JLL's performance of any of its obligations; and
b) JLL shall not be liable for any costs or losses sustained or incurred by the Client arising directly or indirectly from the Client Default.

4.3. The Client is responsible for effecting and maintaining adequate property and public liability insurance in relation to its activities and any relevant properties owned or occupied by it and shall be responsible for the safety of any person entering the relevant property.

4.4. The Client will not entice or solicit or endeavour to entice or solicit any person that is providing their services for JLL during this Agreement's period of validity or within the 12 months following its termination or expiry without JLL authorisation. Otherwise, the client must pay a compensation, (as a cost for the training provided to the employee in question) the equivalent to the salary that the employee has received over the last 12 months.

4.5 Where the Client constitutes more than one legal person, the liability and obligations of such persons shall be joint and several.

5. PAYMENTS.

5.1. Whenever possible, the fees and expenses (if known) for the Services shall be as set out in the Engagement. Where fees and expenses for the Services are not specified in writing, JLL shall be entitled to the fee specified by the applicable professional body chosen by JLL (acting reasonably) or, if none is specified, a fair and reasonable fee by reference to time spent undertaking the Services; and reimbursement of any expenses properly incurred by JLL on the Client's behalf.

5.2. All amounts payable by the Client under the Agreement are exclusive of value added tax (VAT) or similar taxes which the Client shall pay at the applicable rate.

5.3. In consideration of the provision of the Services, the Client shall pay each invoice submitted by JLL in accordance with the Agreement within 30 days from the date of invoice.

5.4. JLL shall submit the invoices in accordance with the terms and relevant milestones agreed in the Engagement.

5.5. If the Client fails to make any payment due to JLL under the Agreement by the due date for payment, then JLL reserves the right to charge late payment interest after the due date on the overdue amount at the legal rate of interest in accordance with applicable Governing Law. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The Client shall pay the interest together with the overdue amount.

5.6. If termination of the Agreement takes place prior to the Services being completed, JLL shall, without limitation to its other rights and remedies under this Agreement or at law, be entitled to receive from the Client a reasonable fee proportionate to the part of the Services performed to the date of termination or any abortive fee included in the Engagement.

6. INTELLECTUAL PROPERTY RIGHTS.

6.1. All intellectual property rights in or arising out of or in connection with the Services including the intellectual property rights in Materials shall be owned by JLL unless otherwise expressly agreed in writing. For this purpose **"intellectual property rights"** means patents, utility models, rights to inventions, copyright and related rights, trademarks and service marks, trade names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade secrets) and any other intellectual property rights, including all applications for (and rights to apply for and be granted), renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist, now or in the future, in any part of the world.

6.2. Each Party, its employees, agents and subcontractors has a non-exclusive right to use any material provided by the other Party for the purposes for which it is supplied or prepared. No third party has any right to use any such materials without the specific consent of the owner. The license granted by JLL shall be perpetual but is subject to JLL having received all fees in full. JLL shall not be liable for the use of any Material for any purpose other than that for which JLL provided it to the Client.

6.3 The Client grants to JLL a non-exclusive license to use the data provided to JLL and any intellectual property contained within it for the purpose of anonymising and aggregating such data (such that it cannot be reverse engineered) and using it for its legitimate business purposes.

7. CONFIDENTIALITY.

A Party (receiving party) shall keep in strict confidence all technical or commercial know-how, processes or initiatives which are of a confidential nature and have been disclosed to the receiving party by the other Party (disclosing party), its employees, agents or subcontractors, and any other confidential information concerning the disclosing party's business, its products and services which the receiving party may obtain. The receiving party shall only disclose such confidential information to those of its employees, agents and subcontractors who need to know it for the purpose of discharging the receiving party's obligations under the Agreement, and shall ensure that such employees, agents and subcontractors comply with the obligations set out in this clause as though they were a party to the Agreement. The receiving party may also disclose such of the disclosing party's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction, or with the consent of the disclosing party.

8. LIABILITY.

8.1. Save in respect of JLL's liability for death or personal injury caused by its negligence or willful misconduct of its employees, agents or subcontractors or for fraud or fraudulent misrepresentation, (which is not excluded or limited in any way) as permitted by Governing Law:

a) JLL shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with the Agreement and/or the Services; and

b) JLL's total liability in respect of all losses arising out of or in connection with the Agreement and/or the Services, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed the amount set out in the Engagement. In case no amount is specified, the liability shall be capped at the fees due under the Agreement.

8.2. JLL shall have no liability for the consequences, including delay in or failure to provide the Services:

a) due to any failure by the Client or any representative or agent of the Client to provide information or other material that JLL reasonably requires promptly, or where that information or material provided is inaccurate or incomplete;

b) If the Client, or someone on the Client's behalf for whom JLL is not responsible results in liability, and where JLL shares that liability with other parties, JLL's liability will be limited to its fair share of the losses caused. This is assuming all other parties involved also bear their proportionate share of the loss, regardless of whether they actually do so; or

c) due to any failure by the Client or any representative or agent of the Client to follow JLL's advice or recommendations.

8.3. JLL owes no duty of care and has no liability to anyone but the Client unless specifically agreed in writing by JLL.

9. TERMINATION.

9.1. Without limiting its other rights or remedies, either Party may terminate the Agreement by giving the other Party 3 months written notice.

9.2. Without limiting its other rights or remedies, subject to applicable Governing Law, either Party may terminate the Agreement with immediate effect by giving written notice to the other Party if:

a) the other Party commits a material breach of the Agreement and (if such a breach is remediable) fails to remedy that breach within 14 days of that Party being notified in writing to do so;

b) a conflict of interest arises which prevents JLL continuing to act for the Client; or

c) the other Party becomes Insolvent.

9.3. Without limiting its other rights or remedies, JLL may suspend provision of the Services under the Agreement or any other contract between the Client and JLL if the Client becomes Insolvent, or JLL reasonably believes that the Client is about to become Insolvent, or if the Client fails to pay any amount due under the Agreement on the due date for payment.

9.4. On termination of the Agreement for any reason:

a) the Client shall immediately pay to JLL all of JLL's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted and associated expenses, JLL shall submit an invoice, which shall be payable by the Client immediately on receipt;

b) the Client shall return any Materials which have not been fully paid for. Until they have been returned, the Client shall be solely responsible for their safe keeping and will not use them for any purpose. Where all fees have been paid the Client shall be entitled to retain such Materials and they shall be licensed in accordance with clause 6.2;

c) JLL may, to comply with legal, regulatory or professional requirements, keep one copy of all documentation it then has that was supplied by or on behalf of the Client in relation to the Services;

d) the accrued rights, remedies, obligations and liabilities of the Parties as at expiry or termination shall be unaffected, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiry; and

e) clauses which expressly or by implication survive termination shall continue in full force and effect.

9.5 JLL may destroy any hard copy and electronic files it has in its possession after six years from the earlier of completion of the Services or termination of the Agreement.

10. DATA PROTECTION.

10.1. JLL (including third parties as described in our Privacy Statement available at https://www.jll.co.uk/en/privacy-statement) may process in hard copy and/or in electronic form, personal data regarding the Client, its officers and any other individuals connected with the Client ('Client Contacts'). It may also verify the identity of Client Contacts including carrying out checks with third parties such as financial probity, anti-money laundering or sanctions-checking agencies. To facilitate compliance with money laundering regulations and avoid duplication of due diligence, the Client acknowledges that JLL may share Client Contacts' personal data with such third party agencies and JLL Affiliates.

10.2. Unless the Agreement and factual arrangements dictate otherwise, as between the parties for the purposes of the Agreement, the Client is deemed to be the controller and JLL is deemed to be the processor. The Client will ensure that any transfer of personal data to JLL (and any sub-processors under clause 10.11) complies with Data Protection Legislation. In providing the Services, JLL in its role as processor shall comply with Data Protection Legislation as it relates to data processors. Nothing within this Agreement relieves either party of its own direct responsibilities and liabilities under Data Protection Legislation.

10.3. JLL shall not process personal data other than on the documented instructions of the Client unless it is required to process the personal data by any law to which it is subject. In such a case JLL shall inform the Client of that legal requirement before complying with it unless that law prohibits JLL from doing so.

10.4. JLL shall ensure that it and any third party with access to the personal data has appropriate technical and organizational security measures in place, to guard against the unauthorized or unlawful processing of personal data and against the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, the personal data. On request in writing, JLL shall provide to the Client a general description of the security measures it has adopted.

10.5. JLL shall take reasonable steps to ensure any person that has access to personal data is made aware of their responsibilities, and subject to enforceable duties of confidentiality.

10.6. JLL shall notify the Client without undue delay if it:

10.6.1. receives a request from an individual for subject access, or a request relating to any of the other individuals' rights available under the Data Protection Legislation, in respect of personal data;

10.6.2. receives any enquiry or complaint from a data subject, supervisory authority or third party regarding the processing of the personal data; or

10.6.3. becomes aware of a personal data breach affecting personal data unless the breach is unlikely to result in a risk to the rights and freedoms of data subjects.

10.7. JLL shall assist and provide all information reasonably requested in writing by the Client in relation to data protection impact assessments or 'prior consultation' with supervisory authorities or matters under clause 10.6.

10.8. JLL shall maintain all the records and information necessary to demonstrate its compliance with the requirements set out in this clause 10.

10.9. JLL shall allow the Client (or its appointed auditor) to audit JLL's compliance with this clause 10. The Client agrees to give reasonable notice of any audit, to undertake any audit during normal business hours, to take steps to minimize disruption to JLL's business, and not exercise this right of audit more than once every year unless instructed otherwise by a supervisory authority.

10.10. JLL shall upon receipt of a written request from the Client delete or return all the personal data at the end of the provision of the Services. JLL may retain copies of the personal data in accordance with any legal or regulatory requirements, or any guidance that has been issued in relation to deletion or retention by a supervisory authority.

10.11. JLL shall only engage a sub-processor where:

10.11.1. the Client has agreed in writing to the engagement of the sub-processor; or

10.11.2. the sub-processor is an Affiliate of JLL or a service provider engaged by JLL to support the infrastructure and administration of its business (with details maintained at http://www.jll.co.uk/sub-processors).

10.12. JLL shall ensure that any arrangements between JLL and a sub-processor are governed by a written contract including terms which offer at least the same level of protection for personal data as those set out in this clause. Where JLL intends to engage a new sub-processor different from an Affiliate of JLL under 10.11.2 and the Client objects, then the Client may choose to terminate the Services in accordance with clause 9.

10.13. In accordance with clause 13.1, JLL shall remain liable for the acts and omissions of its sub-processors.

10.14. JLL shall only transfer personal data outside the European Economic Area where it has ensured the transfer complies with Data Protection Legislation.

11. INFLATION ADJUSTMENT.

11.1. The fees for valuation services provided under this Agreement which has a duration of more than one year, if permitted under applicable Governing Law, shall be subject to adjustment based upon changes in the rate of inflation as measured by the Consumer Price Index ("CPI") published by the relevant National Statistical Agency where Governing Law applies that measures the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. If the index is not legally applicable, it will be replaced by an equivalent or comparable index or, failing that, by any other appropriate index chosen by mutual agreement between the parties. Failing agreement, the parties undertake to consult an independent expert to determine the most appropriate replacement index.

11.2. On each annual year from the signature of the Agreement ("Review Date"), the fees agreed shall be compared with the CPI published for the month immediately preceding the date of signature of the Agreement ("Base CPI") and shall be subject to an adjustment calculated to reflect changes in the cost of living.

11.3. The adjusted fees shall be determined by the following formula:

Adjusted fees = Original fees * (Current CPI / Base CPI)

Where "Original Fees" are the fees as initially agreed upon in this Agreement and "Current CPI" is the CPI published for the month immediately preceding the Review Date.

11.4. The adjusted fees calculated as per clause 11.3 above shall be communicated to the Client within 30 days of the Review Date, with the new adjusted fees effective immediately unless stated otherwise in the Engagement.

The adjusted fees shall not decrease below the Original Fees agreed upon in the Engagement, irrespective of a decrease in the CPI.

11.5. JLL shall notify the Client in writing of any adjustments to the fees in accordance with clause 11.4.

12. FORCE MAJEURE.

12.1. Neither Party shall be liable to the other Party as a result of any delay or failure to perform its obligations under the Agreement as a result of any force majeure event which shall be understood as an event provided for by the Governing Law beyond the reasonable control of either Party including strikes, lock-outs or other industrial disputes (whether involving the workforce of JLL or any other party), failure of a utility service or transport network, act of god, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

12.2. If such an event prevents JLL from providing any of the Services for more than four weeks, JLL shall, without limiting their other rights or remedies, have the right to terminate the Agreement immediately by giving written notice to the Client.

12.3. This clause does not apply to the payment of fees due to JLL by Client.

13. GENERAL.

13.1. **Subcontracting.** JLL may subcontract or deal in any other manner with all or any of its rights or obligations under the Agreement to any third party or agent provided that:

(i) where JLL subcontracts or delegates its obligations at the specific request of the Client, JLL shall have no liability for the acts or omissions of the third party or agent; and
(ii) otherwise, JLL shall remain liable for the acts or omissions of the third party or agent, unless the Client agrees to rely only on the third party or agent, such agreement not to be unreasonably withheld.

13.2. **Notices**.

a) Any notice or other communication, including the service of any proceedings or other documents in any legal action given to a Party under or in connection with the Agreement shall be in writing, addressed to that Party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that Party may have specified to the other Party in writing in accordance with this clause, and shall be delivered personally or sent by pre-paid first class post, commercial courier or any other valid means of communication under the Governing Law that can certify its reception. Any notice or other communication sent to a Party located in a different country to the sending Party must be sent by commercial courier.

b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 13.2.a); if sent by Certified post at 9.00 am on the second business day after posting; or if sent by commercial courier, on the date and at the time that the courier's delivery receipt is signed. For this purpose, a business day means a day (other than a Saturday or Sunday) on which banks are open for business in the Jurisdiction.

13.3. **Severance.**

a) If any provision or part-provision of the Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible under applicable Governing Law, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Agreement.

b) If any provision or part-provision of the Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

13.4. **Waiver**. A waiver of any right under the Agreement or law is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a Party in exercising any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict its further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

13.5. **No Partnership or Agency**. Nothing in the Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, nor constitute either Party the agent of the other for any purpose. Neither Party shall have authority to act as agent for, or to bind, the other Party in any way.

13.6. **Third parties.** A person who is not a Party to the Agreement shall not have any rights to enforce its terms unless specifically agreed in writing.

13.7. **Variation**. Except as set out in these Terms, no variation of the Agreement, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by both parties.

13.8. **Protection of Employees**. Save in respect of fraud or criminal conduct no employee of JLL or any Affiliate has any personal liability to the Client nor to anyone representing the Client. Neither the Client nor anyone representing the Client may make a claim or bring proceedings against an employee or former employee personally.

13.9. **Complaints**. Before taking any action against JLL, the Client agrees to use the JLL's complaints procedure which is available on request.

13.10. **Publicity.** Neither Party may publicize or issue any specific information to the media about the Services or the Agreement's subject matter without the consent of the other.

13.11. **Criminal Activity.** The Client acknowledges that to comply with law and professional rules on suspected criminal activity JLL is required to check the identity of Clients.

13.12. **Anti-bribery.** Both parties shall comply with all applicable laws, statutes, regulations, relating to anti-bribery and anti-corruption under the Jurisdiction.

13.13. **Survival.** Clauses 5 to 9 shall survive termination of the Agreement.

13.14. **Governing Law.** The Agreement and any disputes arising from it (including non-contractual claims and disputes) are governed by the local law set out in the Engagement.

13.15. **Jurisdiction.** Each Party irrevocably agrees, for the sole benefit of JLL, that any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims) shall be subject to the exclusive jurisdiction of the relevant court in accordance with the local law of the respective country. Nothing in this clause shall limit the right of JLL to take proceedings against the Client in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

LIITE 2

General Principles: EMEA

Adopted in the preparation of Valuations and Reports

These General Principles should be read in conjunction with JLL's General Terms and Conditions of Business except insofar as this may conflict with other contractual arrangements.

Unless the Letter of Engagement states otherwise, we will follow:

1. COMPLIANCE WITH REGULATIONS AND VALUATION STANDARDS:

a) RICS Valuation - Global Standards

The current edition of the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors (RICS) and incorporating the International Valuation Standards (together the RICS Red Book). Valuations are undertaken by RICS Registered Valuers who have sufficient current knowledge of the particular market and sufficiently developed skills and understanding to undertake the valuation competently and are in a position to provide objective and unbiased valuation advice.

b) International Valuation Standards (IVS)

The standards of the International Valuation Standards Council (IVSC), which are aligned with the definition and interpretation of the Market Value as defined by the RICS and consistent with the concept of Fair Value as defined in the International Financial Reporting Standards.

c) Local Regulation / Standard

Local Regulations / standards, further details of which are set out in the Letter of Engagement under the heading Regulatory Compliance.

2. VALUATION BASIS:

Our engagement letters and reports state the purpose of the valuation and unless otherwise noted, the basis of valuation is defined by the relevant valuation standards. The definition of the basis which we adopt is set out in the Letter of Engagement and in our report.

3. ASSUMPTIONS AND SPECIAL ASSUMPTIONS:

Where we make an 'assumption' or 'special assumption' in arriving at our valuations, we adopt these terms as specified in the RICS Red Book as follows:

Assumption: A supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, do not need to be verified by the valuer as part of the valuation process.

Special Assumption: A special assumption is made by the valuer where an assumption either assumes facts that differ from those existing at the valuation date or that would not be made by a typical market participant in a transaction on that valuation date. Special assumptions may only be made if they can reasonably be regarded as realistic, relevant and valid for the particular circumstances of the valuation.

4. DISPOSAL COSTS TAXATION AND OTHER LIABILITIES:

No allowances are made for any expenses of realisation, or for taxation which might arise in the event of a disposal. All property is considered to be free and clear of all mortgages or other charges which may be secured thereon.

Purchaser's costs are recognised in accordance with local market conventions.

No allowances are made for any potential impact of pending legislation.

Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

5. SOURCES OF INFORMATION:

All information provided by you, your agents or other representatives is assumed to be accurate, complete, up to date, and reliable, and that no material information affecting our valuations has been withheld. We do not accept any liability for either the accuracy or the completeness of this information. We are neither obliged to confirm the completeness and correctness of the information provided nor to examine any original documentation for the same purpose.

In respect of valuations for loan security purposes, commissioned by a lending institution, we may also rely on information provided to us by the Borrower or its advisors. In such cases, we assume that all information is correct, complete, up-to-date and can be relied upon and that no pertinent information is withheld.

Where there are limitations on the information which is available, the valuation is provided on a restricted basis. Consequently, whilst we undertake our due diligence carefully and professionally, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case.

6. DOCUMENTATION/ TITLE AND TENANCY INFORMATION:

We do not normally read leases or documents on title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we are provided with documentation, reliance should not be placed on our interpretation without verification by your lawyers. We assume that all information provided by the client, or its agents, is correct, up to date and can be relied upon.

7. TENANTS:

Although we reflect our general understanding of a tenant's status in our valuations, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. It is assumed that, unless we are informed otherwise, where properties are valued with the benefit of lettings the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

8. MEASUREMENTS/FLOOR AREAS:

We will generally rely on floor areas provided to us, which we assume have been properly measured in accordance with either:

a) the International Property Measurement Standards (IPMS), or
b) the Code of Measuring Practice (6th Edition) issued by the Royal Institution of Chartered Surveyors, except where we specifically state that we have relied on another source, or
c) local practice/standards

Where we measure floor areas, the areas adopted are purely for the purpose of assisting us in forming an opinion of capital value. They should not be relied upon for other purposes nor shared with or used by other parties without our written authorisation.

9. SITE AREAS:

Site areas are generally calculated using proprietary digital mapping software and are based on the site boundaries indicated to us either at the time of our inspection, or on plans supplied to us. No responsibility is accepted if the wrong boundaries are indicated to us.

10. MARKET RENTS:

Our assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of capital value and generally on the basis of Market Rent, as defined in the current International Valuation Standards. Where circumstances dictate that it is necessary to utilise a different rental value in our capital valuation, we will set out the reasons for this in our report. Market Rent does not necessarily represent the amount that might be agreed by negotiation, or determined by an Expert, Arbitrator or Court, at rent review or lease renewal or the figure that might be obtained if the property or unit were being let on the open market.

11. TOWN / LOCAL PLANNING, ACTS OF PARLIAMENT AND OTHER STATUTORY REGULATIONS:

Wherever possible, information on planning is obtained either verbally from local planning authority officers or publicly available electronic or other sources. Information obtained is purely to assist us in forming an opinion of capital value and should not be relied upon for other purposes. If reliance is required, we recommend that verification be obtained from lawyers that:

I. the position is correctly stated in our report,
II. the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities, and
III. that there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and European Commission regulations, including enactments relating to fire regulations and relevant jurisdictional information provided.

12. STRUCTURAL SURVEYS:

We do not carry out a structural survey, nor do we test the services and therefore, do not give any assurance that any property is free from defect. Otherwise, we assume that each building is structurally sound and that there are no structural, latent or other material defects. Unless stated otherwise in our reports we assume any tenants are fully responsible for the repair of their demise either directly or through a service charge.

If our valuation includes a property or a part of a property that has not been completed at the date of inspection, we assume that this property or part of a property has been or will be completed free from structural and technical deficiencies.

13. DELETERIOUS MATERIALS:

We do not normally carry out or commission investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

14. SITE CONDITIONS:

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which the ground is intended to be used. We do not undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are reported on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

15. ENVIRONMENTAL CONTAMINATION:

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

16. INSURANCE:

Unless expressly advised to the contrary, we assume that appropriate cover for property, public liability, terrorism, damage by flood and rising water is, and will continue to be, available on commercially acceptable terms.

17. OUTSTANDING DEBTS:

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

18. CONFIDENTIALITY AND THIRD-PARTY LIABILITY:

Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

19. STATEMENT OF VALUATION APPROACH:

We are required to make a statement of our valuation approach, and the specific approach(s) adopted is confirmed in the Letter of Engagement. The following provides a summary of our approaches:

Income Approaches:

The Discounted Cash Flow (DCF) valuation method involves projecting estimated cash flows over an assumed investment holding period, plus a terminal value at the end of that period, usually arrived at on a conventional All

Risks Yield ("ARY") basis. The cash flow is then discounted back to the present day at an appropriate discount rate that reflects both market and property specific risks.

To arrive at the estimated net cash flow, we reflect the investment's specific leasing pattern (or other sources of income generation, where for example there are no leases as such) including rent reviews, lease renewals or re-lettings on lease expiry, void costs while parts of the property are vacant, non-recoverable outgoings and anticipated capital outlays (for example on refurbishment or upgrade). We apply explicit growth assumptions to the income and costs in line with market derived forecasts.

For properties valued having regard to their trading potential, we have regard to the future revenues and costs associated with the operation of the property, in line with market practice.

The terminal value reflects our projection of future income at the assumed exit date taking account of such factors as implicit, anticipated rental growth, the unexpired term and the reversionary nature of any leases. The assumed exit date should reflect market practice, which will vary between sectors; and have regard to the economic life of the asset.

The traditional investment method involves the application of a capitalisation rate, as a multiplier, against the current and, if any, reversionary income streams. Following market practice, we construct our valuations adopting 'hardcore' methodology where the reversions are generated from regular short-term uplifts of market rent. We would normally apply a term and reversion approach where the next event is one which fundamentally changes the nature of the income or characteristics of the investment. Where there is an actual exposure to, or a risk of, irrecoverable costs, including those of achieving a letting, an allowance is reflected in the valuation.

Where land is vacant or held for development, we adopt the comparison method where possible and when there is relevant evidence. We may use the residual method, particularly on more complex and bespoke proposals. The **residual method** is a hybrid of the market approach, the income approach and the cost approach. This is based on the completed "gross development value", the deduction of development costs along with the developer's return to arrive at the residual value of the development property / land.

Market Approach:

Vacant buildings may be valued and analysed using any of the above methodologies and also by using the **comparison method** having regard to other capital value transactions where applicable.

Cost Approach:

Depreciated replacement cost (DRC) method assesses the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

20. CAPITAL EXPENDITURE REQUIREMENT:

Where buildings are undergoing works, such as refurbishment or repairs, or where developments are in progress, we rely upon cost information supplied to us by the client or their appointed specialist advisors.

21. GOODWILL, FIXTURES AND FITTINGS:

Unless otherwise stated our valuations exclude any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier.

22. PLANT AND MACHINERY:

No allowance is made for any plant, machinery or equipment unless it forms an integral part of the building and would normally be included in a sale of the building.

23. SERVICES:

We do not normally carry out or commission investigations into the capacity or condition of services. Therefore, we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

24. LAND AND BUILDING APPORTIONMENTS:

When instructed, we will provide apportionments between land and buildings for depreciation purposes only. Such apportionments are not valuations and should not be used for any other purpose unless specified in the report.

25. PORTFOLIO VALUATIONS:

In respect of valuations of portfolios of properties, our overall valuation is an aggregate of the individual values of each individual property. The valuation assumes, therefore, that each property would be marketed as an individual property and not as part of a portfolio. Consequently, no portfolio premium or discount is reflected and any consequence of marketing a range of individual properties together is not reflected in our valuations, unless specifically stated.

26. TAXABLE VALUE / RATING:

Any information regarding taxable value / rating is generally obtained from public websites and databases. We do not investigate whether any taxable value / rating assessment is a fair assessment or consider the likelihood of an appeal being successful.

27. PLANS AND MAPS:

All plans and maps included in our report are strictly for identification purposes only and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under licence and may include mapping data.

28. REPORTING DATES:

We assume that there are no material changes in circumstances between the date of inspection and the valuation date. Should the valuer be made aware of any material changes that occurs after inspecting the property these are taken into account in the valuation.

We assume that there are no material changes in circumstances between the valuation date and the reporting date. Should the valuer be made aware of any material changes before the final report has been issued this will be discussed with the client and commented on in the report where appropriate.

29. SUSTAINABILITY / ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

We consider significant Environmental, Social and Governance (ESG) factors as part of the Instruction, which is assessed by a valuer and not a technical ESG expert. The valuation and/or report does not constitute an ESG risk assessment or ESG rating.

Should you require formal strategic advice on ESG factors, this would be subject to a separate instruction and we will refer you to JLL's Risk Advisory team.

30. HOTELS (if relevant):

Hotels and certain similar properties are usually sold as fully operational entities, including trade fixtures, fittings, furniture, furnishings and equipment. The new owner will normally engage the existing staff and sometimes the management and would expect to take over the benefit of future bookings, which are an important feature of the continuing operation.

Accordingly, our valuations assume that the hotel is open for business and trading up to the date of sale. Unless stated to the contrary, it is assumed that it has the benefit of all necessary licences, consents, registration certificates and permits, as appropriate (including fire certificates), and that they can be renewed. Consumable stocks are excluded from the valuation of the property.

Fixtures, fittings, furniture and stock are taken into account as apparent on inspection (or otherwise indicated to us) on the basis that the hotel is suitably equipped for the satisfactory continuation of the business and that all such furniture, fittings and equipment will be included in any sale.

Unless informed to the contrary, we assume that no particular value attaches to any item of furniture or work of art and also that all furniture, fittings and equipment is owned and not subject to any lease arrangement.

In arriving at our valuation, we consider trading accounts for previous years, where they are available and, where appropriate, we have regard to management accounts, forecasts and projections of future trading activity as indicators of future potential. Details of the hotel and its operation are often obtained from the hotel management. Such information is checked where appropriate but is normally accepted as accurate unless contrary indications are received. In the event of a future change in the trading potential or actual level of trade from that indicated by such information and assumptions, the value of the hotel could vary, and could fall as well as rise.

No allowance is made for any contingent tax liabilities or liability to staff (whether relating to redundancy payments, pensions or otherwise) unless expressly stated.

Unless otherwise instructed, we adopt the date of the inspection as the valuation date.

LIITE 3

Market Value

Definition and Interpretive Commentary reproduced from the current RICS Valuation – Global Standards, VPS 2 and IVS Framework

4. Market Value

The definition of Market value is defined in IVS 102 Bases of Value: Appendix A10.01 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.'

4.1. Market value is a basis of value that is internationally recognised and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is defined in IVS 102 Appendix as 'the use, from a participant perspective, that would produce the highest value for an asset'. It is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible – fuller treatment of this basis of value can be found at paragraph A10.04 and section A90 of IVS 102 Bases of Value: Appendix.

4.2. It ignores any price distortions caused by *special value* (an amount that reflects particular attributes of an asset that are only of value to a *special purchaser*) or *synergistic value (marriage value).* It represents the price that would most likely be achievable for an asset across a wide range of circumstances. Market rent (see section 5) applies similar criteria for estimating a recurring payment rather than a capital sum.

4.3. In applying *market value*, the *valuation* amount **must** reflect the actual market state and circumstances as of the effective *valuation date*. The full conceptual framework for market value can be found in section A10 of IVS 102 Bases of Value: Appendix.

4.4. Notwithstanding the disregard of *special value*, where the price offered by prospective buyers generally in the market would reflect an expectation of a change in the circumstances of the asset in the future, the impact of that expectation is reflected in *market value*. Examples of where the expectation of additional value being created or obtained in the future may have an impact on the market value include:

- the prospect of development where there is no current permission for that development and
- the prospect of synergistic value/marriage value arising from merger with another property or asset, or interests within the same property or asset, at a future date.

4.5. The impact on value arising by use of an *assumption* or *special assumption* should not be confused with the additional value that might be attributed to an asset by a *special purchaser*.

4.6. In some jurisdictions a *basis of value* described as 'highest and best use' is adopted, and this may either be defined by statute or established by common practice in individual countries or states.

A10. IVS Framework

A10.02 The definition of *market value must* be applied in accordance with the following conceptual framework:

(a) "The estimated amount" refers to a price expressed in terms of money payable for the *asset* in an arm's length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the valuation date in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *value* available only to a specific owner or purchaser.

(b) "An *asset* or liability *should* exchange" refers to the fact that the value of an *asset* or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the *price* in a transaction that meets all the elements of the *market value* definition at the valuation date.

(c) "On the valuation date" requires that the *value* is time specific as of a given date. Because markets and market conditions *may* change, the estimated value *may* be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date.

(d) "Between a willing buyer" refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at *any price*. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher *price* than the market requires. The present owner is included among those who constitute "*the market*".

(e) "And a willing seller" is neither an over-eager nor a forced seller prepared to sell at any *price*, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the *asset* at market terms for the best price attainable in the open market after proper marketing, whatever that price *may be*. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.

(f) "In an arm's length transaction" is one between parties who do not have a particular or special relationship, eg, parent and subsidiary companies or landlord and tenant, that *may* make the price level uncharacteristic of the market or inflated. The *market value* transaction is presumed to be between unrelated parties, each acting independently.

(g) "After proper marketing" means that the *asset* has been exposed to the market in the most appropriate manner to affect its disposal at the best *price* reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best *price* in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of *asset* and market conditions. The only criterion is that there *must* have been sufficient time to allow the *asset* to be brought to the attention of an adequate number of market *participants*. The exposure period occurs prior to the *valuation date*.

(h) "Where the parties had each acted knowledgeably, prudently" presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the *asset*, its actual and potential uses, and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the *price* that is most favourable for their respective positions in the transaction.

Prudence is assessed by referring to the state of the market at the *valuation date*, not with the benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell *assets* in a market with falling prices at a *price* that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

(i) "And without compulsion" establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

A10.03. The concept of *market value* presumes a *price* negotiated in an open and competitive market where the participants are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market *participants*. The market in which the *asset* is presumed exposed for sale is the one in which the asset notionally being exchanged is normally exchanged.

A10.04 The *market value* of an *asset* will reflect its highest and best use (see IVS 102 *Bases of Value*, Appendix A90). The highest and best use is the use of an *asset* that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use *may* be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the *price* that it would be willing to bid.

A10.05 The nature and source of the *valuation inputs must* be consistent with the *basis of value*, which in turn *must* have regard to the valuation *intended use*. For example, various *valuation approaches* and *valuation methods* may be used to arrive at an opinion of value provided they use *observable data*. The market approach will, by definition, use market-derived inputs. To indicate *market value*, the income approach *should* be applied, using *inputs* and assumptions that would be adopted by participants. To indicate *market value* using the cost approach, the *cost* of an *asset* of equal utility and the appropriate adjustments for physical, functional and economic obsolescence *should* be determined by analysis of market-based costs and depreciation.

A10.06 The *data* available and the circumstances relating to the market for the asset being valued *must* determine which *valuation method* or *methods* are most relevant and appropriate. If based on appropriately analysed *observable data*, each *valuation approach* or *valuation method* used should provide an indication of *market value*.

A10.07 *Market value* does not reflect attributes of an *asset* that are of *value* to a specific owner or purchaser that are not available to other buyers in the market. Such advantages *may* relate to the physical, geographic, economic or legal characteristics of an asset. *Market value* requires the disregard of any such element of *value* because, at any given date, it is only assumed that there is a willing buyer, not a particular willing buyer.

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