

Property valuation reports - Summary

Issued by:

COLLIERS VALUATION AND ADVISORY SRL (the “Valuer” / “we”)

Represented by Mr. Lazar Laurentiu - Aurelian, as Attorney in fact of the representative of the appointed Administrator – Colliers International Property Consultants Limited (UK)

With registered office at 169A Floreasca Road, Floreasca Business Park, Building A, 2nd Floor, Office no. 2, District 1, Bucharest, Romania

In respect of:

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED (the “Company”)

Represented by Mr. Geoff Miller in his capacity of Chairman of the Board of Directors

With registered office at Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD

And

J.P. MORGAN SECURITIES PLC (the “Financial Advisor” for Globalworth Real Estate Investment Limited)

And

PANMURE GORDON (UK) LIMITED (the “Rule 3 Advisor” for Globalworth Real Estate Investment Limited)

(together called the “Addressees”)

Dear Sirs,

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED (The “Company”)

PORTFOLIO VALUATION AS OF 31st OF MARCH 2021

Introduction

At the Company instruction, based on the fully executed service agreement between the Company and the Valuer dated 25th of May 2021, Colliers Valuation and Advisory was required of an indication of value of 29 properties (the “Properties”) which are owned by the Company. In this regard, the Valuer estimated the Market Value of the freehold interests in the Properties owned by the Company for inclusion in the offer document and any further documents or announcements to be published in connection with the acquisition of the entire issued and to be issued share capital (not already held, or agreed to be acquired by Zakiono) of Globalworth Real Estate Investments Limited by CPI Property Group and Aroundtown SA.

The valuation has been prepared in accordance with the Red Book (incorporating the International Valuation Standards) and ANEVAR Romanian Valuation Standards, under the requirements of Rule 29 of the City Code of Takeovers and Mergers (the “Code”).

Report Date25th of May 2021**Valuation Date**31st of March 2021**Addressees**

GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED (the "Company")

J.P. MORGAN SECURITIES PLC (the "Financial Advisor" for Globalworth Real Estate Investment Limited)

PANMURE GORDON (UK) LIMITED (the "Rule 3 Advisor" for Globalworth Real Estate Investment Limited)

Status of the Valuer

The valuation was performed by Colliers Valuation and Advisory, an External Valuer, as defined in the RICS Valuation – Global Standards.

Colliers fulfills the professional conditions required to complete a valuation of a real estate property. Colliers Valuation and Advisory is a member of ANEVAR (National Association of the Romanian Valuers) and the valuers employed in completing the present report have attended the required professional training and are in the possession of a real estate valuer certification.

The present valuation has been prepared by Anca Baldea and Raluca Buciuc, each falling within the requirements as to competence as set out in PS 2 of the Red Book and who are both valuers registered in accordance with the RICR Valuer Registration Scheme, as follows:

Anca Baldea	Buciuc Raluca
Director / Valuation and Advisory Services	Director Partner Valuation Services and Hospitality Advisory Services
ANEVAR and RICS member	ANEVAR and RICS member
Experience of 15 Years	Experience of >15 Years
Main +4021 319 77 77	Main +021 319 77 77
Mobile +40 729 990 190	Mobile +40 724 290 922
E-mail anca.baldea@colliers.com	Email raluca.buciuc@colliers.com

In the same time, we confirm that the valuation reports and present summary are written by Colliers Valuation and Advisory as an Independent Valuer in accordance with the requirements of the Rule 29.4 of the Code. We further confirm that the Valuer complies with the requirements of independence and objectivity under PS 2 of the Red Book and that the Valuer has no conflict of interest in acting on behalf of the Company in this matter.

The total of fees earned by Colliers Valuation and Advisory from the Company during 2020 accounts for less than 5% of Colliers total fee income in Romania and we do not expect this position to change in the current year.

Previous Valuation

The Valuer has undertaken semestrial valuations for the entire portfolio of the Properties or part of it since 2015 for financial reporting purposes and for inclusion in the Company's Annual Report and Accounts, thus providing estimations

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of the Fair Value of the Properties, but also annual punctual valuations for secured lending purposes, thus providing estimations of the Market Value of the Properties. The most recent valuation was dated 31st of December 2020 and concluded for financial reporting purposes.

The responsible for the valuations done for the Company since 2015 is Anca Baldea MRICS. The valuer's rotation policy is for the valuations to be carried out by means of a "panel process", with two directors signing the reports and taking responsibility for the valuations.

Purpose of Valuation

The purpose of the present valuation (the "Purpose") is to estimate the Market Value of the freehold interests in the Properties for inclusion in the offer document and any further documents or announcements to be published in connection with the acquisition of the entire issued and to be issued share capital (not already held, or agreed to be acquired by Zakiono) of Globalworth Real Estate Investments Limited by CPI Property Group and Aroundtown SA.

The present valuation has been prepared under the requirements of Rule 29 of the City Code of Takeovers and Mergers, mentioning that *"the valuation report must be included in the offer document or the offeree board circular (as appropriate) or, if earlier, in the first announcement or document published during the offer period by the offeree company or the securities exchange offeror (as the case may be) which refers to that valuation"*.

Assets to be Valued

The portfolio consists in 29 freehold premises with different destinations, located in Romania, as summarized in the table below:

Type of asset	No of units	Tenure status
Office existing	13	freehold
Office under development	1	freehold
Residential	1	freehold
Retail		freehold
Industrial existing	8	freehold
Industrial under development	2	freehold
Land plots for future development	4	freehold
Total	29	freehold

Basis of Value

The Market Value is defined by RICS Valuation – Global Standards as *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"*. (IVS 104 paragraph 30.1)

Within VPS 4 Bases of value, assumptions and special assumptions in RICS Valuation – Global Standards, it is also mentioned that *"the Market Value is a basis of value that is internationally recognized and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace"*

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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 the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible”.

Thereby, in accordance to the above mentioned, we made sure that the estimated Market Value of the Properties is reflecting their highest and based use taking into account the criteria defining it, to maximize the potential of the analyzed property and which is physically possible, legally permissible and financially feasible.

General Assumptions

The Valuer has valued the Properties individually on the basis of several general and special assumptions which are detailed in the individual valuation reports (the “Report and Valuation”) and which are also applicable for the present summary, without considering any discounts or premiums related to the sale of the Properties individually, in packages or as a whole portfolio.

The Properties were valued on a desktop basis based on the inspections done in 2020 for the valuation performed as of 31st of December 2020 for financial reporting purposes. For the present valuation purpose, we assumed that there have been no material changes to any of the properties in the portfolio since the date of the last inspection and the present valuation date.

The Valuer has analyzed the Properties based on the information provided by the Company assumed to be accurate and reliable (including financial, legal, technical or leasing status, etc). Although, wherever possible, we check for plausibility the received data, we assume no liability resulting from misinformation. If any information or assumptions on which the valuation is based are subsequently found to be incorrect, the estimated values may also be incorrect and should be reconsidered.

Compliance with Valuation Standards

The present valuation has been prepared in accordance with the current edition of the RICS Valuation – Global Standards (known as Red Book), published by the Royal Institute of the Chartered Surveyors (RICS), incorporating the International Valuation Standards (IVS) as published by the International Valuation Standards Council (IVSC) and the ANEVAR (National Association of Romanian Valuers) Valuation Standards, 2020 edition, as well as other standards and methodological guides developed by ANEVAR, through which the consistency with the European Valuation Standards (EVS) is also insured.

The Valuer is in the position to provide an objective and unbiased valuation fulfilling the professional conditions required to complete a valuation of a real estate property and sufficient skills and knowledge on the segments of the real estate market involved.

The present valuation is a professional opinion and it should not be considered a guarantee of any kind of the fact that in a possible sale of the subject property, it should achieve the estimated value.

Valuation Approach and Reasoning

The existing properties (both office and industrial assets, together with the retail amenities) have been valued through the income approach by performing a discounted cashflow calculation. The properties which are currently under development process (both office and industrial assets) have been valued through the income approach by pursuing the residual methodology. The residential asset and land plots for future development has been valued through the market approach by pursuing the direct comparison methodology.

The valuation methodologies used are explained in detail in the individual valuation reports.

Market Value

The estimated Market Value of the entire portfolio of the Properties, as of 31st of March 2021, is:

EUR 1,087,750,000

(One Billion Eighty Seven Million Seven Hundred Fifty Thousand Euro)

as shown in the table below:

Type of asset	No of units	Estimated Market Value for full ownership (EUR)*	Estimated Market Value for the Company stake** (EUR)
Office existing	13	823,100,000	823,100,000
Office under development	1	7,800,000	7,800,000
Residential	1	59,100,000	59,100,000
Retail		9,800,000	9,800,000
Industrial existing	8	143,900,000	131,400,000
Industrial under development	2	5,450,000	3,400,000
Land plots for future development	4	38,600,000	27,900,000
Total	29	1,087,750,000	1,062,500,000

*for Chitila Logistics Hub and Constanta Business Park, the valuation was made on the assumption of full ownership

**for Chitila Logistics Hub and Constanta Business Park, the value has been adjusted to reflect the Company's ownership

Material Valuation Uncertainty

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "pandemic" on 11.03.2020, has impacted many aspects of daily life and the global economy – with real estate markets generally experiencing significantly lower levels of transactional activity and liquidity.

As at the valuation date, property markets in certain sectors have begun to function with transaction volumes providing an adequate quantum of comparable market evidence upon which to base opinions of value. This has resulted in the use of the Material Uncertainty Clause as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards being lifted for prime products on the real estate market. However, given the potential future impact that COVID-19 might have on the real estate market, with many business practices and behaviors changing either temporarily or permanently, we recommend that you keep the valuation contained within this report under frequent review.

Special Assumptions

The estimates of values in the Report and Valuation are based on a thorough and detailed analysis of information obtained from various sources. Some of this data has required subjective interpretation and certain assumptions in arriving at value conclusions.

As a result, the opinions and conclusions contained in the present summary are subject to the following Special Assumptions:

- **Title Investigations**

Although we check the relevant ownership documents when provided, nothing in the Report and Valuation can be interpreted as a legal opinion as concerns the state of the title. Thus, we take no responsibility for matters of legal nature and our valuation is based on the assumption that the title is marketable and free from onerous or restrictive covenants, rights of way and easements, and any other encumbrances or outgoings that may affect value.

- **Letting Investigations**

We have not inspected the lease agreements and apart from those disclosed to us, we have assumed that any rents, service charges and other contributions are fair and proportionate, and are not subject to onerous increases or reviews.

We have also assumed, except where we have been informed to the contrary, that all rents are reviewed in an upwards direction only at the intervals notified to us, to the full market rental value and that no questions of doubt arise as to the interpretation of the provisions in the leases giving effect to the rent reviews.

Unless we have been informed to the contrary, we have assumed that there are no material arrears of rent and/or service charges.

We do not take detailed investigations regarding the financial status of the tenants, our valuation reflecting the general type of tenants and the market perception of their creditworthiness.

- **Planning**

Although we check for plausibility the provided documents in terms of statutory consents, unless noted, it is assumed that there are no encroachments or planning and building violations encumbering the Properties.

Where verification of the information is impractical, we assume that the Properties have the necessary statutory consents for the current buildings and use, thus they are constructed, used and occupied in full compliance with the relevant planning and building regulation approvals and that there are no outstanding notices, conditions, breaches, contraventions, non-compliance, appeals, challenges or judicial reviews, assuming that all approvals and permissions are in place at the valuation date.

If we are instructed to value one or more of the Properties on the Special Assumption of having the benefit of a defined planning permission or license, we assume that it will not be appealed or challenged at any point prior to, or following, implementation.

- **Plans, Floors Area and Building Measurements**

As valuers, we do not normally carry out measurements of buildings or sites. Thus, our valuation is based on the areas provided by the client. Wherever possible, we check the received data with cadastral plans or excerpts from land book. Under this approach, we assume that the areas upon the information provided have been calculated in accordance with market standards, in accordance with the current edition of RICS Property Measurement.

Floor areas set out in the individual valuation reports are provided by the Client for the Purpose described in the Report and Valuation and are not to be used or relied upon for any other purpose.

○ **Services and EPCs**

We do not test any services, drainage, or service installations. We assume that all services, including gas, water, electricity and sewerage are provided and are functioning satisfactorily. We do not test any alarms or installations and we assume that the Properties comply with and will continue to comply with fire regulations legislation.

Regarding EPCs (Energy Performance Certificates), if we are not provided with such documents, we assume that if one was available, its rating would not have had a detrimental impact upon our opinion value or marketability.

Thus, we assume that the Properties have an economic lifespan similar to comparable properties in the market, subject to regular maintenance and repairs in accordance with appropriate asset management strategies.

The financial forecasts presented in our valuation assume both responsible ownership and competent management. Any variance from this assumption may have a significant impact on the future operating expenses and value estimate.

○ **Harmful, Deleterious Materials, Health & Safety Legislation**

The valuation is performed on the basis that the Properties are free of potentially hazardous materials used in the construction or maintenance of the buildings (such as asbestos, urea formaldehyde foam insulation, PCBs, high alumina cement concrete, calcium chloride as a drying agent, wood wool slabs as permanent shuttering, aluminum composite cladding material, polystyrene and polyurethane cladding insulation). The Valuer is not qualified to detect these substances or estimate any costs involved with their removal and urge the Company to retain an expert in this field, if desired.

Thereby, unless the Valuer is supplied with evidence to the contrary, the valuation is done on the assumption that the Properties are fully in compliance with the building regulations, being free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects.

○ **Ground Conditions and Environmental Matters**

We do not carry out environmental surveys to assess if any land or premises are, or have been, contaminated, given that we are not chartered environmental surveyors.

We do not carry out any soil, geological or other tests in order to ascertain the site conditions and to check if there are unusual features that may be harmful to people and affect the actual use of the Properties (such as ground conditions and load bearing qualities, subterranean structures or services, contamination, pollutants, mining activity, sink holes, archaeological remains, radon gas, electromagnetic fields and power lines, invasive plants and protected species).

Our investigations regarding the above mentioned are limited to the observations done in the course of our inspections, through normal enquiries or by local knowledge and to the information supplied by the Company, which we assume is correct and that further investigations would not reveal more information affecting the estimated value.

Reliance, Confidentiality and Disclosure

For the purposes of the Code, we are responsible for the Report and Valuation and we accept responsibility for the information contained within it and confirm to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in the Report and Valuation is in accordance with the facts and contains no omissions likely to affect its import. The Report and Valuation complies with and has been prepared in accordance with, and on the basis of, the Code.

The Report and Valuation is addressed to the Addressees for the Purpose and it is for the use of and may be relied upon by the Addressees and the shareholders of the Company in connection with the Purpose. Save in respect of the Addressees and shareholders of the Company and, to the fullest extent permitted by law and the Code, we do not

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assume any responsibility and will not accept any liability to any third party for any loss suffered by any such third party as a result of, or arising out of, or in accordance with this Report and Valuation.

We have given our prior written consent to the publication of this Report and Valuation in an offer document, valuation announcement and in any further document to be published or made available by the Company in accordance with the Code and to the publication and reproduction of the Report and Valuation as required by the Code.

Neither the whole nor any part of this valuation, nor any reference thereto, may be included in any documents other than those listed above without our previous written approval to the form and context in which it will appear. We acknowledge that this Report and Valuation will be made available for inspection and published on the website by the Company in accordance with the Code.

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

Yours faithfully,



Anca Baldea
ANEVAR and MRICS Registered Valuer
Colliers Valuation and Advisory Romania



Raluca Buciuc
ANEVAR and MRICS Registered Valuer
Colliers Valuation and Advisory Romania