

Valuation Report.

Globalworth Property Portfolio

Prepared for the attention of the Directors of

Globalworth Real Estate Investments Limited

and

J.P. Morgan Securities plc

and

Panmure Gordon (UK) Limited

(the “Addressees”)

Valuation date: 31 March 2021

Important Notice to all readers of this report

Unless you are the Addressees named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank Sp z o.o. does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

**Locally expert,
globally connected.**

The Directors

Globalworth Real Estate Investments Limited
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and

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E14 5JP
and

Panmure Gordon (UK) Limited
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United Kingdom

Our ref: 235.2020-2021


Date of issue: 25 May 2021

Dear Sirs

Valuation Report – Globalworth Property Portfolio

Further to your instructions, we are pleased to provide our valuation report in respect of the above portfolio (“Valuation Report”). If you have any queries regarding this Valuation Report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank Sp. z o.o.



Grzegorz Chmielak, MRICS

RICS Registered Valuer

CIS HypZert (MLV), REV

Managing Partner, Head of CEE Valuation & Advisory

Knight Frank Sp. z o.o.

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1. Terms of engagement

Engagement of Knight Frank

- 1.1 This valuation report (the “Valuation”) has been prepared in accordance with our Terms of Engagement letter dated 24 May 2021 and our General Terms of Business for Valuation Services (together the “Agreement”).
- 1.2 It is essential to understand that the contents of this Valuation are subject to the various matters we have assumed, which are referred to and confirmed below.
- 1.3 We have been instructed to prepare the Valuation of the properties set out in Appendix 1 to this Valuation Report (“Properties”) by Globalworth Real Estate Investments Limited (the “Client”) and J.P. Morgan Securities plc and Panmure Gordon (UK) Limited (together, the ‘Addressees’).

Valuation standards

- 1.4 This valuation has been undertaken in accordance with RICS Valuation - Global Standards, which incorporate the International Valuation Standards. References to the “Red Book” refer to either or both of these documents, as applicable. As required by the Red Book, some key matters relating to this instruction are set out below.
- 1.5 This Valuation has also been undertaken in accordance with the requirements of the City Code on Takeovers and Mergers (the “Code”) and we authorise the content of the Valuation Report for the purposes of Rule 29 of the Code. We confirm that the Valuation Report complies with the requirements of Rule 29 of the Code and the requirements of the Panel on Takeovers and Mergers in connection therewith. The Properties have been valued by a valuer who is qualified for the purposes of the Valuation in accordance with Rule 29 of the Code.

Independence and expertise

Disclosure of any conflicts of interest

- 1.6 We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation.
- 1.7 You are aware we value the Properties for the Client on a six monthly rolling basis at June and December for financial reporting purposes.
- 1.8 The most recent valuation for financial reporting purposes was at 31 December 2020.

Valuer and expertise

- 1.9 The valuer, on behalf of Knight Frank Sp. z o.o., with the responsibility for this report is Grzegorz Chmielak MRICS, Registered Valuer, HypZert (REV) and Polish Licensed Valuer No. 3064. Parts of this valuation have been undertaken by additional valuers. We confirm that the valuer and additional valuers meet the requirements of RICS Valuation – Professional Standards, having sufficient current

knowledge of the particular market and the skills and understanding to undertake the valuation competently.

- 1.10 For the purposes of the Red Book, we are acting as External Valuers, as defined therein.
- 1.11 This Valuation Report has been vetted as part of Knight Frank Sp. z o.o.'s quality assurance procedures.

Use of this Valuation

Purpose of valuation

- 1.12 This Valuation is provided for inclusion within the Investor Documents (as defined below) solely to allow the directors of the Client to satisfy the requirements of Rule 29 of the Code (the "Purpose") only and may not be used for any other purpose without our express written consent.

Reliance

- 1.13 This Valuation has been prepared for the Addressees only. Clause 4.2 of the General Terms states that no liability is accepted to any third party for the whole or any part of the Valuation .
- 1.14 Save for: (a) the Addressees; and (b) any responsibility arising under the Code to any person as and to the extent there provided, in accordance with Clauses 3 & 4 of the General Terms and to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report or our statement, required by and given solely for the purposes of complying with Rule 29 of the Code.

Disclosure & publication

- 1.15 The Valuation has been prepared for the Client and in accordance with the Agreement which governs its purpose and use. As stated in the Agreement, this Valuation is confidential and must not be disclosed to any person other than the Client without our express written consent. Nor may the whole nor any part of this valuation nor any reference thereto may be included in any prospectus, listing particulars, published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.
- 1.16 Notwithstanding this, the Valuation may be disclosed as set out below:

Subject to the terms and conditions (but disregarding for these purposes clauses 4.3 to 4.6 (inclusive) of the General Terms) of the Agreement and to completion of the Valuation Report and our approval of the form and context thereof, we hereby confirm that we will authorise and consent to the inclusion of:

- a) a draft version of this Valuation Report being circulated to the legal and financial advisers of the Client and CPI Property Group S.A. and Aroundtown SA (being the proposed buyer under the takeover offer to be effected by the Scheme Document (as defined below));
- b) this Valuation Report or extracts thereof in the scheme document to be published by the Client in accordance with the Code ("Scheme Document") and any other announcements or documents released by the Client which directly relate to the scheme (each of (i) and (ii)

being the “Investor Documents”) and to such disclosure or publication as is required by Rules 26 and 29 of the Code; and

c) references to this Valuation Report and to our name in the Investor Documents.

We will review the sections of the Investor Documents prepared by the Client relating to the Properties.

- 1.17 For the purpose of the Code, we accept responsibility for the information within this Valuation Report and have ensured that the information contained in the Valuation Report is, to the best of our knowledge (having taken all reasonable care to ensure that such is the case), in accordance with the facts and contains no omission likely to affect its import.
- 1.18 The Addressees agree and acknowledge that we shall have no liability for any error, omission or inaccuracy in this Valuation Report to the extent resulting from our reliance on information provided by or on behalf of the Addressees unless otherwise stated. Notwithstanding the above, we highlight the restricted nature of this instruction, in accordance with the Red Book; as a result the reliance that can be placed on the Valuation is limited.

Disclosures required under the provisions of PS 2.5

- 1.19 In accordance with PS 2.5 have made certain disclosures in connection with this valuation instruction and our relationship with you.
- Grzegorz Chmielak RICS, has been the main signatory for the Valuation Reports provided to the Client
- 1.20 Knight Frank Sp. z o.o. has continuously been carrying out this valuation instruction for IFRS purposes since 2018. Knight Frank Sp. z o.o. endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals not exceeding seven years.
- 1.21 Knight Frank Sp. z o.o. has been undertaking various instructions for the Client for a number of years and we confirm that Knight Frank Sp. z o.o. has current, anticipated and previous recent involvement with the Properties only from property valuation services. We confirm that this factor has been discussed with the Client who has agreed for Knight Frank Sp. z o.o. to act in such capacities.
- 1.22 Knight Frank Sp. z o.o.’s financial year end is 30 April 2021. We confirm that the proportion of fees payable by the Client to Knight Frank Sp. z o.o. in the financial year to 30 April 2021 was less than 5%.

Limitations on liability

- 1.23 Knight Frank Sp. z o.o.’s total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank Sp. z o.o. accepts no liability for any indirect or consequential loss.
- 1.24 We confirm that we hold adequate and appropriate PII cover for this instruction.
- 1.25 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank Sp. z o.o. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank Sp. z o.o.

- 1.26 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Scope of work

- 1.27 We are instructed to rely on floor areas and tenancy information provided by the Client. We have not read lease agreements nor verify accordance between tenancy schedule and lease terms.
- 1.28 Knight Frank Sp. z o. o. cannot be held liable with regards to the legal description of the asset, its use, non-compliance with statutory requirements, technological and natural risks, the areas taken into account, the existence of concealed defects, presence of asbestos, adverse ground condition, presence of soil contamination, presence of insects, noxious animals or plants, rot, or deleterious materials, etc. Our report will comment on the above on the basis of Technical or Environmental reports, if provided.

Information provided to us which we have relied upon

- 1.29 Our desktop valuation is based on restricted scope of information listed below:
- tenancy schedule and rent roll
 - CAPEX schedule
 - Service charge reconciliation
 - Fit out
 - Construction budget, working schedule and stage of completion (Podium Park C)
- 1.30 As agreed, our valuations are based on measurements which have been provided by the Client.
- 1.31 In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this Valuation Report. Any assumptions resulting from the lack of information are also set out in the relevant section of this Valuation Report.

Inspection

- 1.32 All Properties were inspected during 2020/2021 as part of periodic inspections of the portfolio. The date the Properties were last inspected is included in the Property Schedule in Appendix 1 of this Valuation Report.

Ground conditions

- 1.33 Unless informed otherwise in writing, we assume there to be no adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

Environmental issues

- 1.34 Investigations into environmental matters by suitably qualified environmental specialists would usually be commissioned by most responsible purchasers or chargees of higher value properties or where there was any reason to suspect contamination or a potential future liability (whether following review of the environmental searches which should always be carried out by any purchaser/chargee or their

legal advisors, or for other reasons). Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our Valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

- 1.35 However, we are not environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination or any other environmental searches. If we are not provided with the results of appropriate investigations as outlined above and where there is no obvious indication of harmful contamination, our Valuation will be provided on the assumption that the relevant property is unaffected. Where we are informed that contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the Valuation will be qualified by reference to appropriate sections of the Red Book.

Structural condition

- 1.36 Building, structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we have not carried out any of these investigations (except where we separately agree in writing and are instructed to do so), we are unable to report that any property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials.
- 1.37 We are unable to confirm whether the property is free from urgent or significant defects or items of disrepair.

Planning, highway and other statutory regulations

- 1.38 We have not verified planning situation of the property. Enquiries of the relevant Planning and Highways Authorities in respect of matters affecting properties, where considered appropriate, are normally only obtained verbally or from a Local Authority web site, and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Written enquiries can take several weeks for a response and incur charges. We recommend that formal written enquiries should be undertaken by your solicitors who should also confirm the position with regard to any legal matters referred to in our Valuations.

Land Register inspection and searches

- 1.39 We are not required to undertake searches or inspections of any kind (including web based searches) for title or price paid information in any publicly available land registers, including the Land and Mortgage Registries in Poland.

Title and burdens

- 1.40 We will assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or local authority intentions which affect the property, nor any material litigation pending.

Legal title

- 1.41 In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn.

Repair and conditions

- 1.42 We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the property. We are unable, therefore, to give any assurance that the Property is free from defect.

Contamination

- 1.43 As stated in the General Terms of Business attached to the Valuation Report, investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank Sp. z o.o. is not qualified to undertake scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.

2. Valuation

Valuation bases

2.1 The basis of value for the Scheme Valuation Report as required by the Code is Market Value and therefore these valuations have been prepared on a Market Value basis.

Market Value

2.2 Market Value is defined within RICS Valuation - Professional 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.”

Portfolios

2.3 In a valuation of a property portfolio, we have valued the individual Properties separately and we have assumed that the individual Properties have been marketed in an orderly way.

Market Rent

2.4 The basis of valuation for our opinion of rental value is Market Rent. This is defined in RICS Valuation - Professional Standards as:

“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Approach

2.5 Our opinion of the Market Value of the Properties has been primarily derived using comparable recent rental and investment market transactions on arm's length terms.

2.6 We have adopted an investment method of valuation based on an income approach and adopted a suitable market capitalisation rate based on analysis of comparable market transactions.

2.7 Our opinion of the Market Value of the site designated for Podium C building in its existing condition has been arrived at using the residual method. Having formed an opinion of the value of the completed units, using the method described above, we deduct from it the total costs of development and an allowance for the developer’s profit.

2.8 No allowance has been made for expenses of realisation or for any taxation which might arise, and our valuations are expressed exclusive of any Value Added Tax that may become chargeable.

2.9 Our valuations do not reflect any deductions in respect of purchaser’s costs.

Valuation date

2.10 The valuation date is 31 March 2021.

Market Value

2.11 We are of the opinion that the aggregate Market Value of each of the freehold interest and perpetual usufruct interest (to the land and freehold interests to buildings) owned by the Client, subject to the existing leases and agreements as at 31 March 2021, was:

EUR 1,334,050,000 (One Billion, Three Hundred Thirty Four Million, Fifty Thousand euro).

Market Value Apportionment

2.12 The aggregate Market Value was apportioned as at the valuation date, as follows:

Property	Market Value
Batory Building 1	11,630,000
Bliski Centrum	13,660,000
CB Lubicz	72,710,000
Green Horizon	68,820,000
Nordic Park	23,270,000
Philips	13,190,000
A4 Business Park	67,550,000
Tryton	57,020,000
West Gate	44,890,000
WARTA Tower	59,460,000
West Link	40,290,000
Quattro Business Park	141,520,000
Spektrum Tower	111,970,000
Skylight & Lumen	214,180,000
Rondo BP	35,790,000
WTT	144,010,000
Silesia Star	58,040,000
Retro OH	62,310,000
Podium Park	93,740,000
EUR 1,334,050,000	

Valuation procedures and assumptions

- 2.13 We have undertaken external drive-by or internal inspections of each of the Properties on the dates set out in Appendix 1.
- 2.14 We have met with personnel from the Client to check the veracity of the information we have relied upon in formulating these valuations.
- 2.15 Our valuations assume that the Properties have good and marketable titles and are free of any undisclosed onerous burdens, outgoing or restrictions. Boundaries for the purpose of our valuation are those indicated to us and although believed to be correct, are subject to legal title being proved, if necessary. We have not seen planning consents and, except where advised to the contrary, have assumed that the properties have been erected and are being occupied and used in accordance with all requisite consents and that there are no outstanding statutory notices.
- 2.16 We have not made enquiries as to whether the Properties meet statutory and local authority requirements regarding such matters as fire prevention, public / environmental health, health and safety at work and building legislation. We have assumed that the buildings do comply with the various requirements.
- 2.17 We have not read all documents of title or leases and, for the purpose of our valuations, have accepted the details of tenure, tenancies and all other relevant information with which we have been supplied by the Client. When considering the covenant strength of individual tenants we have not carried out credit enquiries but have reflected in our valuations our general understanding of purchasers' likely perceptions of tenants' financial status.
- 2.18 We have not carried out structural surveys of the Properties, nor tested the services, but have reflected in our valuations, where necessary, any defects, items of disrepair or outstanding works of alteration or improvement which we noticed during the course of our external drive-by inspections or of which we have been advised. Our valuations assume the buildings contain no radioactive, chemical or other deleterious materials and that the sites are unaffected by adverse soil conditions, except where we have been notified to the contrary. We cannot offer an opinion as to the likely extent of any settlement or subsidence which may exist now or in the future.
- 2.19 We have had regard to information provided by the Client regarding capital expenditure at individual properties, where applicable.
- 2.20 We have not carried out any investigation into past or present uses of either the Properties or any neighbouring land to establish whether there is any potential for contamination from these uses or sites to the subject properties. Unless we have been provided with information to the contrary, we have assumed that the Properties are not, nor are likely to be, affected by land contamination and there are no ground conditions that would affect the present or future uses of the Properties.
- 2.21 No specialist tests have been carried out on any of the service systems and for the purposes of this valuation we have assumed that all are in reasonable working order and in compliance with any relevant statutory or bye law regulations.

- 2.22 Our valuations assume that the Properties would, in all respects, be insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.
- 2.23 We have not established if any allowances, grants or subsidies of any nature are available from Central or Local Government or any other body, statutory or otherwise.
- 2.24 We have assumed that all the Properties are in a good condition in terms of the structure and services unless advised to the contrary or as would be apparent from a review of any reports which we have been provided or a superficial viewing inspection. Any material issues we are aware of or as would be apparent from a review of any such reports are reflected in our Valuation.
- 2.25 We have reviewed any environmental reports provided to us and any 'material' issues that we are aware of (having made due enquiry, including but not limited to a search of the website of the Environment Agency) or as would be apparent from a review of any such reports are reflected in our Valuation.
- 2.26 We are not providing legal, tax, financial or other specialist advice.

Responsibility

- 2.27 For the purposes of the Code, we are responsible for this Valuation Report and we will accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Valuation Report complies with the Code and we authorise its content for the purposes of Rule 29 of the Code.

Material Difference

- 2.28 For the purposes of Rule 29.5 of the Code, we confirm that in our opinion the current valuation of the Properties as at the date of this Valuation Report would not be materially different from the valuation of the Properties as at the Valuation Date.

Consent

- 2.29 Knight Frank Sp. z o.o. has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Investor Documents which the Client is required to publish and/or make available in accordance with the Code, and to the publication and reproduction of this Valuation Report as required by Rules 26 and 29 of the Code.

Appendix 1 Property Schedule

Number	Property	Town/City	Interest	Property type	Date of inspection
1	Batory Building 1	Warsaw	Freehold	office	26 November 2020
2	Bliski Centrum	Warsaw	Freehold / Perpetual usufruct	office	19 November 2020
3	CB Lubicz	Kraków	Freehold	office	25 January 2021
4	Green Horizon	Łódź	Freehold / Perpetual usufruct	office	18 November 2020
5	Nordic Park	Warsaw	Freehold / Perpetual usufruct	office	26 November 2020
6	Philips	Warsaw	Freehold	office	19 November 2020
7	A4 Business Park	Katowice	Freehold / Perpetual usufruct	office	17 December 2020
8	Tryton	Gdańsk	Freehold / Perpetual usufruct	office	24 November 2020
9	West Gate	Wrocław	Freehold / Perpetual usufruct	office	2 December 2020
10	WARTA Tower	Warsaw	Freehold / Perpetual usufruct	office	26 November 2020
11	West Link	Wrocław	Freehold	office	2 December 2020
12	Quattro Business Park	Kraków	Freehold / Perpetual usufruct	office	18 November 2020
13	Spektrum Tower	Warsaw	Freehold / Perpetual usufruct	office	20 January 2021
14	Skylight & Lumen	Warsaw	Freehold	office	20 January 2021
15	Rondo BP	Kraków	Freehold / Perpetual usufruct	office	18 November 2020
16	WTT	Warsaw	Freehold / Perpetual usufruct	office	13 January 2021
17	Silesia Star	Katowice	Freehold / Perpetual usufruct	office	17 December 2020
18	Retro OH	Wrocław	Freehold / Perpetual usufruct	office	2 December 2020
19	Podium Park	Kraków	Freehold / Perpetual usufruct	office + surplus land	18 November 2020

Appendix 2 Abbreviations

PS	Professional Standard
RICS	Royal Institution of Chartered Surveyors

Appendix 3 Sources of Information

In addition to information established by us, we have relied on the information obtained from you, as listed below:

Information	Source / Author	Date
Tenancy schedule and future leases	Globalworth	21 April 2021
The amount of non-recoverable costs	Globalworth	21 April 2021
The amount of outstanding fit out and rent free contributions	Globalworth	22 April 2021
Capex	Globalworth	22 April 2021
Details of current negotiations in hand	Globalworth	29 April 2021