



# MLP BUCHAREST WEST S.R.L.

MLP Bucharest West

9 Macului street, Rudeni, Ilfov County, Romania

## SUMMARY REPORT

June 30<sup>th</sup>, 2024

Prepared for:

**MLP BUCHAREST WEST S.R.L.**

Beneficiary:

**MLP BUCHAREST WEST S.R.L.**

Prepared by:

**COLLIERS VALUATION AND ADVISORY**



## **CONTACT**

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August 14<sup>th</sup>, 2024

**Attn: MLP BUCHAREST WEST S.R.L.**

Dear Sirs,

**RE: Valuation of MLP Bucharest West, 9 Macului street, Rudeni, Ilfov County, Romania.**

In line with the Service Agreement no. V4157 / 02.07.2024, the present summary report expresses Colliers Valuation and Advisory's opinion regarding the market value of the real estate property owned by MLP Bucharest West SRL, located at 9 Macului street, Rudeni, Ilfov County, Romania, represented by MLP Bucharest West industrial and logistic park, consisting in existing industrial constructions with a total GLA of 38,988 sqm, including office /administrative area and two industrial buildings and an office module under construction representing the extension of MLP Bucharest West, as well as a vacant land plot with an area of 64,382 sqm, as of June 30<sup>th</sup>, 2024. Our opinion of value should be read taking into consideration all the aspects included in the valuation report issued on August 14<sup>th</sup>, 2024, by Colliers Valuation and Advisory, where there was estimated the Fair Value of the subject property as of June 30<sup>th</sup>, 2024. The entire explanation of the assumptions taken in consideration in our valuation as well as, the details regarding the sources of information are contained within the valuation report.

The present summary has been prepared to be used by the landlord in a bond (notes) issuance through a public offering and/or listing on a stock exchange (regulated market), and/or a multilateral trading facility ("MTF"). The document cannot be used for other purposes (e.g. sale, secured lending, taxing purposes etc.) without the consultant's prior written approval and the necessary changes to the report, depending on the new required purpose.

In line with the data provided by the client's representatives and in accordance with the observations made during the inspection, the analyzed real estate property consists of:

- one land plot with a total area of 188,045 sqm;
- 4 adjoined halls and 2 office modules in operation at the valuation date, with a total gross leasable area of 38,988 sqm;
- technical annexes with a total built area of 422.50 sqm;
- 2 industrial buildings under construction, along with the related office buildings, with a total leasable area of 20,484 sqm;
- 1 office module under construction, with a total leasable area of 200 sqm related to an existing hall;
- access roads and green areas.

The valuation report mentioned previously has been carried out based on the information provided by the client's representatives regarding the property, which we considered to be reliable, and the observations made during the on-site inspection, as well as in line with the market data which was gathered as part of an internal research process and took into account sources of information such as local real estate agencies, specialized publications, specialized websites and our internal database.

The valuation has been carried out in accordance with the valuation standards in effect on the Romanian market at the valuation date. The results of the valuation must be read taking into account the assumptions and limiting conditions mentioned in the valuation report.

The methodology is also in accordance with the RICS Valuation Standards (known as Red Book), 2022, published by the Royal Institute of the Chartered Surveyors (RICS).

Our opinion of value should be read taking into consideration all the aspects included in the valuation report issued on August 14<sup>th</sup>, 2024, by Colliers Valuation and Advisory, where there was estimated the Fair Value of the subject property as of June 30<sup>th</sup>, 2024. Based on these assumptions, it is our opinion that the

market value of the subject property, estimated through the income approach, using the discounted cash flow method, for existing and under construction premises, and the market approach, using the direct comparison method, for the land plot in excess, is, as of June 30<sup>th</sup>, 2024:

**EUR 27,363,000 (rounded from EUR 27,363,247)**

The aforementioned value represents the aggregate market value of the existing income producing assets, buildings under construction and the land plot in excess as described in the below table:

Property element	Gross Lettable / Land plot Area (Sqm)	Market Value (Eur)	Methodology
Existing buildings	38,988 / 84,288	22,396,308	income approach
Buildings under construction*	20,684 / 39,375	2,005,352	income approach
Vacant land plot	- / 64,382	2,961,587	market approach
<b>Total</b>		<b>27,363,247</b>	

*\*includes buildings A3 and B3, as well as office module of A2 building*

*\*\*taking into consideration that the land plot with an area of 39,375 sqm planned for the development of A3 and B3 buildings benefits from an approved building permit.*

The values above do not include VAT.

Please bear in mind that the present value estimation does not represent a guarantee of any kind that a transaction will be closed at the above price, or at any other price. Should the property be marketed correspondingly, a willing buyer be found, and the seller not be constrained to sell in a short period of time, the property should achieve the estimated market value. However, it is possible for our estimation to suffer certain adjustments during a negotiation process.

We draw your attention to the current conditions that are impacting on real estate market, this being currently in a price-discovery mode with a wider gap between the expectations of buyers and sellers. These conditions, referring mainly to sharply higher interest rates, but let's not forget yet about inflation and the war in Ukraine, may not be fully reflected in the market evidence presented as at the valuation date and there is potential for them to move rapidly on an average time horizon. In this regard, for the main sensitive aspects, we can already note a drop in inflation and some encouraging signs that interest rates could start decreasing late 2024. These being said, assuming no major changes, 2025 should look better for the Romanian investment scene, but however, we recommend that you keep the valuation contained within this report under frequent review.

### Confidentiality and Disclosure

The contents of the summary report are confidential to the client and the representatives of the financing institution, for the specific purpose to which it refers to and are for their use only. We do not accept responsibility to any third party for the whole or any part of its contents.

Neither the whole, nor any part of the present document, or any reference thereto, may be included in any published document, circular or statement or disclosed in any way to third parties without our previous written consent as to the form and context in which it will appear.

Before the summary report, or any part thereof, is reproduced or referred to in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the consultant's written approval as to the form and context of such publication or disclosure must be first obtained.

For the avoidance of doubt, such approval is required whether or not the consultant is referred to by name and whether or not the contents of this summary report are combined with others.

We assert that we have no interest in the subject property, neither present, nor prospective, and that our fee is not linked in any way to the submitted value. We do not guarantee the fulfilment of any estimates contained within the report, although they have been conscientiously prepared on the basis of our expertise, research and information made available to us. Subsequently, our valuation figures should be considered as “best estimates” of the achievable value.

We appreciate the opportunity of preparing the summary report on your behalf and we are available for any questions or comments regarding it.

Respectfully submitted,

Colliers Valuation and Advisory



# REFERENCE TERMS

## Identity of the valuer

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The present summary report has been prepared by Colliers Valuation and Advisory, a Corporate Member of the National Association of Romanian Authorized Valuers – ANEVAR (authorisation no. 0330).

The valuers employed in the execution of this summary report possess the necessary qualifications, ability and experience to undertake the valuation in an objective, unbiased, ethical and competent manner.

The valuers have no material connection or involvement with the subject property or the party commissioning the valuation.

## Identity of the client

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The report has been prepared for MLP Bucharest West S.R.L.

## Identity of intended users

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The beneficiaries of the present summary report are MLP Bucharest West S.R.L. and MLP Group S.A.

## Property being valued

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In line with the data provided by the client's representatives and in accordance with the observations made during the inspection, the analyzed real estate property is located at 9 Macului street, Rudeni, Ilfov County, Romania, represented by MLP Bucharest West industrial and logistic park:

- one land plot with a total area of 188,045 sqm;
- 4 adjoined halls and 2 office modules in operation at the valuation date, with a total gross leasable area of 38,988 sqm;
- technical annexes with a total built area of 422.50 sqm;
- 2 industrial buildings under construction, along with the related office buildings, with a total leasable area of 20,484 sqm;
- 1 office module under construction, with a total leasable area of 200 sqm related to an existing hall;
- access roads and green areas.

## Property rights to be valued

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In line with the received information, MLP Bucharest West SRL holds the full property rights over the analyzed property, a fact which is attested by the land book excerpts which were provided to us by the client's representatives.

## Valuation currency

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All the values in the present summary report have been estimated in Euros, the reference currency used on the Romanian real estate market. The exchange currency as of the valuation date is 1 EUR = 4.9767 RON.

## Purpose of the valuation

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The present summary report will be used by the client a bond (notes) issuance through a public offering and/or listing on a stock exchange (regulated market), and/or a multilateral trading facility ("MTF"). The report cannot be used for other purposes, for which it is not intended (e.g. sale, secured lending, taxing



purposes etc.), without the consultant's prior written approval and the necessary changes to the report, depending on the new required purpose.

Our opinion of value should be read taking into consideration all the aspects included in the valuation report issued on August 14th, 2024, by Colliers Valuation and Advisory, where there was estimated the Fair Value of the subject property as of June 30th, 2024. The entire explanation of the assumptions taken in consideration in our valuation as well as, the details regarding the sources of information are contained within the valuation report.

## Basis of value

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In line with the ANEVAR Valuation Standards, 2022 edition, the Market Value is defined as follows:

*"The market value is 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."* (SEV 104 – Bases of value, paragraph 30.1)

## Valuation approach

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Taking into account the potential of the subject property of generating rental proceeds, and also the fact that the premises are leased to several tenants, its market value has been estimated using the income approach, through the discounted cash flow method.

Given the feasibility of identifying adequate comparable data on the market, the market value of the vacant land plot, which constitutes land in excess, has been estimated through the market approach, using the direct comparison method.

## Inspection date

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The inspection of the property has been performed by Ioana Simion, a representative of Colliers Valuation and Advisory, on August 1<sup>st</sup>, 2024, in the presence of Mr. Vlad Dumitrescu, a representative of the client.

According to the information received from the client's representatives, between the date of the inspection and the valuation date there have been no significant changes in the physical status of the property, which could have had an impact on the estimated value.

## Valuation date

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The real estate property has been valued as of June 30<sup>th</sup>, 2024.

## Extent of the investigation and limitations

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We have not performed:

- technical studies of the structure or mechanical and electrical installations of buildings;
- legal examination of the ownership documents or inquiries regarding their registration with the competent administrative and fiscal bodies;
- measurements of the analysed real estate assets;
- geotechnical investigations, including examinations pertaining to potential contamination issues or other environmental risks;
- inquiries into the availability of the necessary services (i.e. electricity, gas, water and sewerage networks) at adequate capacity;

- archaeological investigations.

## Assumptions and special assumptions

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In accordance with the ANEVAR Asset Valuation Standards, 2022 edition:

*"In addition to stating the basis of value, it is often necessary to make an assumption or multiple assumptions to clarify either the state of the asset in the hypothetical exchange or the circumstances under which the asset is assumed to be exchanged. Such assumptions can have a significant impact on value.*

*These types of assumptions generally fall into one of two categories:*

- (a) assumed facts that are consistent with, or could be consistent with, those existing at the date of valuation, and*
- (b) assumed facts that differ from those existing at the date of valuation.*

*Assumptions related to facts that are consistent with, or could be consistent with, those existing at the date of valuation may be the result of a limitation on the extent of the investigations or enquiries undertaken by the valuer.*

*Where assumed facts differ from those existing at the date of valuation, it is referred to as a "special assumption". Special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date.*

*All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required." (SEV 104 – Bases of Value, paragraphs 200.1 – 200.5)*

### Valuation inputs

We draw your attention to the current conditions that are impacting on real estate market, this being currently in a price-discovery mode with a wider gap between the expectations of buyers and sellers. These conditions, referring mainly to sharply higher interest rates, but let's not forget yet about inflation and the war in Ukraine, may not be fully reflected in the market evidence presented as at the valuation date and there is potential for them to move rapidly on an average time horizon. In this regard, for the main sensitive aspects, we can already note a drop in inflation and some encouraging signs that interest rates could start decreasing late 2024. These being said, assuming no major changes, 2025 should look better for the Romanian investment scene, but however, we recommend that you keep the valuation contained within this report under frequent review.

### Environmental, Social and Governance factors

The real estate investment and occupier markets are currently in a state of transition as they begin to align themselves with the sustainable development goals of government and the new generation of real estate users.

As the RICS 'Sustainability and ESG in commercial property valuation and strategic advice' guidance note (January 2022) sets out, "Sustainability covers a broad range of environmental, economic and social factors defined as the 'three dimensions' in the global UN Sustainable Development Goals. This range of factors is sometimes referred to in a corporate or investment context as environmental, social and governance (ESG)."

As it grows in influence, ESG can be used as a framework for assessing the impact of the various associated factors as they relate to the characteristics and operation of real estate. It should, however, be noted that as different real estate sectors reflect sustainability factors to different extents, so we must therefore rely upon comparable evidence in order to quantify the impact on both the investment and occupier markets.

Currently in Romania, but in Europe, as a general rule, also, we have not seen consistent prima facie evidence to suggest that that ESG has a direct impact on the valuation of all commercial and residential buildings. However, as the real estate markets continues to adapt to ESG development practices and legislative requirements, we anticipate an evolution in the analysis undertaken when providing real estate valuations. For example, green premiums for excellent sustainable ratings such as BREEAM or LEED. We note that this may potentially impact on the valuation of a property over the course of a typical investment period.

We have not undertaken a sustainability audit and are not qualified to do so as valuers. Likewise, we are not qualified to comment on any costs relating to sustainability upgrades. We therefore only explicitly reflect immediate sustainability/resilience capital costs where technical information relating to the same has been made available to us, namely in respect of capital expenditure, EPC/MEES upgrading and flood prevention measures.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight to the ongoing movement in real estate markets.

#### **Lease agreements**

We have not been provided with copies of the service agreements either in force at the valuation date or having commencement date in the future (i.e. for the buildings under development). Instead, we relied exclusively on the contractual terms made available to us by the client's representatives in electronic format (i.e. in an MS Excel spreadsheet). The valuation has been carried out under the assumption that the data received are accurate, without making any additional cross-checks.

#### **Excess land plot**

Based on an analysis of the subject property, it is our opinion that it includes a land plot that can be considered excess land, given that, in line with the information provided by the landlord's representatives, it is not required for the adequate operation of the existing premises, and thus could be detached from the rest of the property and be sold separately on the market in order to be used for the development of independent real estate projects, or otherwise be used for future extensions of the existing premises.

Given the fact that this excess land plot is not currently registered in a distinct land book, its area has been provided by the client's representatives and used as such in the valuation. Should a cadastral survey carried out by a qualified specialist reveal significantly different conclusions regarding the size of this plot of land, the results of the present valuation may also be subject to change.

#### **Buildings under development**

In line with the information put at our disposal by the client's representatives, we have also taken into account the extension which is under construction, represented by 2 industrial buildings (i.e. A3 and B3), along with the related office modules, as well as, 1 office module, adjoining an existing building (i.e. A2), which are in preliminary stages of development.

Our analysis has been based on the assumption that the construction works will be carried out in full accordance with the plans, specifications, delivery dates and development budgets put at our disposal by the client's representatives, and any preconditions required for the agreed leases of the completed building would be met.

#### **Construction costs**

We have taken into account the costs required for the construction of 2 industrial buildings (i.e. A3 and B3), along with the related office modules, as well as, 1 office module, adjoining an existing building (i.e. A2),

which are in preliminary stages of development. These costs have been provided by the client's representatives and used as such in our analysis.

Please bear in mind that our analysis has been carried out exclusively based on the estimation of costs put at our disposal by the client's representatives, which we considered reliable, and also on the assumption that the construction works will be carried out in a professional manner, and without significant delays.

We have not performed a study of the required construction works and their associated costs, nor commissioned one to be conducted by a specialist. Should such an analysis be undertaken and its conclusions be different from the information made available to us, the valuation results may also be subject to change. Given the fact that this type of analysis, pertaining to construction costs, does not fall within our field of expertise, we cannot assume responsibility for the accuracy of the abovementioned estimations.

#### **Leasable areas**

The leasable areas taken into account in our analysis have been extracted from the MS Excel format file provided by the client's representatives. We have not carried out any type of measurements to certify that the areas above are correct. In case the real situation proves different, we reserve the right to modify the present report.

#### **Restrictions on use, distribution and publication**

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The contents of the valuation summary are confidential to the landlord and the representatives of the financing institution, for the specific purpose to which it refers to and are for their use only. We do not accept responsibility to any third party for the whole or any part of its contents.

Neither the whole, nor any part of the valuation, or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without the consultant's previous written consent as to the form and context in which it will appear.

Before the valuation summary, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the consultant's written approval as to the form and context of such publication or disclosure must be first obtained.

For the avoidance of doubt, such approval is required whether or not the consultant is referred to by name and whether or not the contents of this valuation summary are combined with others.

#### **Confirmation of conformity with the valuation standards**

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The valuation report completed for financial reporting purposes, issued on August 14<sup>th</sup>, 2024, has been prepared in compliance with the ANEVAR Asset Valuation Standards, 2022 edition, as published by the National Association of Romanian Authorized Valuers (ANEVAR), the relevant chapters being:

- SEV 100 – Framework
- SEV 101 – Scope of Work
- SEV 102 – Investigation and Compliance
- SEV 103 – Reporting
- SEV 104 – Bases of Value
- SEV 105 – Valuation Approaches and Methods
- SEV 230 – Real Property Interests
- SEV 233 – Development Property

- SEV 340 – Real Estate Valuation and Energetic Efficiency
- SEV 430 - Valuations for Financial Reporting
- GEV 630 – Real Estate Valuation

The ANEVAR Asset Valuation Standards, 2022 edition, incorporate the newest edition of the International Valuation Standards (IVS 2022) issued by the International Valuation Standards Council (IVSC), two European Valuation Standards (EVS) issued by the European Group of Valuers' Associations (TEGoVA), as well as some additional valuation standards (SEV) and guides (GEV) developed by the National Association of Romanian Authorized Valuers (ANEVAR) in line with the Romanian market particularities, which are also correlated with the former. Consequently, the compliance with both the International Valuation Standards (IVS) and the European Valuation Standards (EVS) is ensured, while also taking into account the local practice in asset valuation.

The methodology is also in accordance with the RICS Valuation Standards (known as Red Book), 2022, published by the Royal Institute of the Chartered Surveyors (RICS).

# PROPERTY DESCRIPTION

## PROPERTY LOCATION

<b>Owner</b>	MLP Bucharest West SRL
<b>Property Type</b>	Industrial property with land in excess and buildings under construction
<b>Locality</b>	Rudeni, Ilfov county
<b>Address</b>	9 Macului street, Rudeni, Ilfov county



### Area overview

The analyzed property is located in the northwest outskirts of Bucharest, in Rudeni, on Macului street. Being the border of the capital, it is an extremely favorable position, which allows the rapid development of the area and the city.

### Access

The valued property is easily accessible from Macului street, an asphalted road with one lane per directions. Direct access to the subject premises is provided through a private asphalted road.

Access is only available by private vehicles (i.e. cars and trucks), as public transportation is not available in the area.

### Visibility / exposure

The property has a frontage of about 400 m to the secondary access road. Given its location, we believe that visibility and exposure are average, as the frontage to Macului street is rather reduced.

Nevertheless, visibility and exposure are not essential factors for an industrial project, such as road infrastructure and access to utilities. In terms of these aspects, the property is well positioned in terms of accessibility.

## PROPERTY DESCRIPTION

<b>Ownership</b>	MLP Bucharest West SRL										
<b>Type of property</b>	Industrial property with land in excess and buildings under construction										
<b>Owned land area</b>	188,045 sqm										
<b>Existing constructions</b>	<ul style="list-style-type: none"> <li>• 4 adjoined halls and 2 office modules, in operation at the valuation date, with a total gross leasable area of 38,988 sqm.</li> </ul>										
<b>Current physical condition</b>	The existing spaces are in good physical condition, showing minimal signs of wear and tear, indicating the fact that routine maintenance has been conducted appropriately.										
<b>Vacant spaces</b>	The property includes a vacant office space with a leasable area of 180 sqm.										
<b>Extensions</b>	The site also includes several technical extensions, which are required for the adequate operation of the industrial site as a whole, such as: guardhouse, pump station, water reservoir, electrical substation, electrical connection point etc.										
<b>Buildings under construction</b>	<p>The two buildings under construction and their related office modules will have a total leasable area of 20,484 sqm, split as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; width: 60%;"> <thead> <tr style="background-color: #003366; color: white;"> <th>Type of space</th> <th>Total leasable area (sqm)</th> </tr> </thead> <tbody> <tr> <td>Warehouse/technical rooms</td> <td style="text-align: right;">15,927</td> </tr> <tr> <td>Chilled/freezer</td> <td style="text-align: right;">3,240</td> </tr> <tr> <td>Office/social area</td> <td style="text-align: right;">1,317</td> </tr> <tr style="background-color: #003366; color: white;"> <td><b>Total</b></td> <td style="text-align: right;"><b>20,484</b></td> </tr> </tbody> </table> <p>This phase of development includes also an office module, planned for completion, with a total leasable area of 200 sqm, which will be occupied by an existing tenant.</p>	Type of space	Total leasable area (sqm)	Warehouse/technical rooms	15,927	Chilled/freezer	3,240	Office/social area	1,317	<b>Total</b>	<b>20,484</b>
Type of space	Total leasable area (sqm)										
Warehouse/technical rooms	15,927										
Chilled/freezer	3,240										
Office/social area	1,317										
<b>Total</b>	<b>20,484</b>										
<b>Land in excess</b>	<p>Based on the information received from the client's representatives, the valued site includes a land plot measuring 64,382 sqm that can be considered excess land, given that, in line with the information provided by the landlord's representatives, it is not required for the adequate operation of the existing premises, and thus could be detached from the rest of the property and be sold separately on the market in order to be used for the development of independent real estate projects, or otherwise be used for future extensions of the existing premises. Given the fact that this excess land plot is not currently registered in a distinct land book, its area has been provided by the client's representatives and used as such in the present valuation assignment. Should a cadastral survey carried out by a qualified specialist reveal significantly different conclusions regarding the size of this plot of land, the results of the present valuation may also be subject to change.</p>										
<b>Highest and best use</b>	Production / storage and associated administrative activities.										



# VALUATION OF THE PROPERTY

## VALUATION SHEET

<b>Purpose of the valuation</b>	<p>The present summary report has been prepared to be used by the client in a bond (notes) issuance through a public offering and/or listing on a stock exchange (regulated market), and/or a multilateral trading facility ("MTF").</p> <p>Our opinion of value should be read taking into consideration all the aspects included in the valuation report issued on August 14th, 2024, by Colliers Valuation and Advisory, where there was estimated the Fair Value of the subject property as of June 30th, 2024. The entire explanation of the assumptions taken in consideration in our valuation as well as, the details regarding the sources of information are contained within the valuation report.</p>								
<b>Basis of Value</b>	Market Value								
<b>Valued property rights</b>	Full property rights								
<b>Inspection date</b>	August 1st, 2024								
<b>Valuation date</b>	June 30th, 2024								
<b>Valuation approach</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Property element</th> <th style="background-color: #003366; color: white;">Methodology</th> </tr> </thead> <tbody> <tr> <td>Existing buildings</td> <td>income approach</td> </tr> <tr> <td>Buildings under construction</td> <td>income approach</td> </tr> <tr> <td>Vacant land plot</td> <td>market approach</td> </tr> </tbody> </table>	Property element	Methodology	Existing buildings	income approach	Buildings under construction	income approach	Vacant land plot	market approach
Property element	Methodology								
Existing buildings	income approach								
Buildings under construction	income approach								
Vacant land plot	market approach								
<b>Valuation Methodology</b>	<p>In accordance with the purpose of the valuation, the market value of the subject real estate property has been estimated. In line with the ANEVAR Asset Valuation Standards, 2022 edition, published by the National Association of Romanian Authorized Valuers (ANEVAR), the market value is defined as follows:</p> <p><i>"Market Value is 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."</i> (SEV 104 – Bases of Value, paragraph 30.1.)</p> <p>When selecting the adequate valuation approach, the valuer should consider the terms and purpose of the present valuation, the characteristics of each approach and methodology, but also the appropriateness of each method reported to the analyzed property specific nature and the availability of reliable information required in the valuation process.</p> <p>Thereby, given the <i>income-producing ability of the asset</i> and the fact that <i>reasonable projections of the amount and timing of future income are available for the subject asset</i> on the market, and by also considering the credibility, relevance and reliability of information on which we have based our assessment, in accordance with the recommendations of the ANEVAR Valuation Standards and with the terms of our engagement, we consider that the income approach is the most suitable in determining the Market Value of the existing buildings and the related land plot.</p> <p>According to GEV 630 (Income Approach, paragraph 58), within the income approach there are two different methods of valuation: the Discounted Cash-Flow Analysis (i.e. DCF) and the Direct Capitalization (i.e. DC). The first is recommended to be used for</p>								

projects where the existing income may suffer changes in the future and/or for properties that are the subject of several lease agreements.

As the existing buildings are already leased out to multiple tenants and are subject to different contractual terms, generating a certain income for the next 10 years, we have applied the DCF methodology by taking into consideration all the factors that might influence the level of the rents and are included in the signed contracts. Also, the subject valuation had to include all the predictions for the future incomes that are going to be produced by the buildings at the end of the existing contracts.

In line with the information provided by the client’s representatives, there are plans to further develop the analyzed property by building additional 2 production halls (i.e. A3 and B3 buildings), for which a building permit is in place, as well as an office module (i.e. leasable area of 200 sqm) already leased. According to the information provided by the client’s representatives, buildings A3 and B3, as well as the office module represent built-to-suit facilities for which tenants have already been secured. Therefore, the present market value of these buildings has also been estimated using the income approach, through the discounted cash flow (DCF) method,

For the vacant land plot, we consider that the market approach is the most suitable approach in determining its market value.

### Market value – existing buildings

#### Main assumptions

According to the valuation practice, the property has been valued disregarding the existence of any mortgage, debenture or other claims to which it may be subject, under the special assumption that it is free and clear of all debts.

In our discounted cash flow analysis we took into account the following assumptions:

- The current contracts will remain in force until their expiry date and until then the rents paid by the existing tenants have been used in the model as they are;
- Once the lease agreements currently in force end, new ones will come into effect following a 6-month void period, on the first day of the next month;
- The new contracts will have a maturity of 5 years, in line with market practice for industrial spaces;
- The renewal rents will be indexed yearly, on the same day the contract began;
- The existing vacant spaces will be occupied after 3 months.

The future cash flows have been estimated for a period of 10 years beginning with the valuation date, which we consider adequate given the fact that the interval includes the end of the existing contracts and at least one contract renewal process.

**Existing buildings  
Gross Leasable Area**

38,988 sqm

**Discount rate**

9%

**Reversionary Yield**

7.75%

**Market Value**

**EUR 22,396,308 (VAT not included)**

### Market value – buildings under construction

#### Main assumptions

In line with the information provided by the client’s representatives, there are plans to further develop the analyzed property by building 2 additional production halls (i.e. A3 and B3), as well as an office module adjacent to A2 building. These buildings represent built-to-suit facilities for which tenants have already been secured, in accordance with the information provided by the client’s representatives.

The market value of these projects has also been estimated using the income approach, through the discounted cash flow (DCF) method, as described above, using the same assumptions. The main difference in terms of indications was related to the estimated market rent to be applied upon the renewal of the contract, considering the characteristics of the premises, as well as the discount rate applied.

In case of the discount rate, we have considered an adjustment of 25 bp to account for the fact that construction works for the 3 buildings have not yet begun, thus resulting in a **9.25% discount rate**.

As in the case of the existing income producing assets, the market value has been determined by adding the present value of the future cash flows, which should be generated by operating the 2 production halls throughout the 10 analysed years, and the present value of their terminal values at the end of the forecasting period. Additionally, because these buildings are not yet delivered as of the valuation date, all the development costs also need to be subtracted:

<b>Market Value</b>	<b>EUR 2,005,352 (VAT not included)</b>
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### Market value – land in excess

#### Main assumptions

As previously mentioned in the report, in accordance with the data received, the subject property includes a land plot with an area of 64,382 sqm that can be considered excess land, given that, in line with the information provided by the landlord’s representatives, it is not required for the adequate operation of the existing premises, and thus could be detached from the rest of the property and be sold separately on the market in order to be used for the development of independent real estate projects, or otherwise be used for future extensions of the existing premises.

Given the feasibility of identifying adequate comparable data, the market value of the excess land plots has been estimated using the direct comparison method, which implies an analysis of sales of similar or substitutable properties, as well as other market information, and estimates the value through a process of comparison and adjustment. The first step of this approach is to obtain the trading prices of similar assets, which were recently transacted on the market. If there are few recent transactions with similar properties or if sufficient data regarding these cannot be obtained, the asking prices of similar assets that are listed for sale on the market can also be taken into account for the valuation, provided that such information is relevant and critically analyzed. Subsequently, these quotations need to be adjusted so as to reflect the differences between the subject asset and the comparable assets in terms of location, physical characteristics and development potential.

<b>Market Value</b>	<b>EUR 2,961,587 (VAT not included)</b>
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## Conclusions

Our opinion of value should be read taking into consideration all the aspects included in the valuation report issued on August 14th, 2024, by Colliers Valuation and Advisory, where there was estimated the Fair Value of the subject property as of June 30th, 2024. Based on these assumptions, it is our opinion that the market value of the subject property, estimated through the income approach, using the discounted cash flow method, for existing and under construction premises, and the market approach, using the direct comparison method, for the land plot in excess, is, as of June 30<sup>th</sup>, 2024:

**EUR 27,363,000** (rounded from EUR 27,363,247)

The aforementioned value represents the aggregated market value of the existing income producing assets, buildings under construction and the land plot in excess as described in the below table:

Property element	Gross Lettable / Land plot Area (Sqm)	Market Value (Eur)	Methodology
Existing buildings	38,988 / 84,288	22,396,308	income approach
Buildings under construction*	20,684 / 39,375	2,005,352	income approach
Vacant land plot	- / 64,382	2,961,587	market approach
<b>Total</b>		<b>27,363,247</b>	

*\*includes buildings A3 and B3, as well as office module of A2 building*

*\*\*taking into consideration that the land plot with an area of 39,375 sqm planned for the development of A3 and B3 buildings benefits from an approved building permit.*

The values above do not include VAT.

Please bear in mind that the present value estimation does not represent a guarantee of any kind that a transaction will be closed at the above price, or at any other price. Under present market conditions, the completion of a transaction might prove to be difficult, and it is possible for our estimation to suffer certain adjustments during a negotiation process.

Our conclusions regarding the market value are based on a reasoning which we consider to be in line with the requirements of the valuation standards in force pertaining to the adequacy of the approach (the method used for estimating the value), the precision of the valuation (the accuracy and credibility of the information taken into account) and the quantity of relevant information.

# ASSUMPTIONS AND LIMITING CONDITIONS

The value estimates within the summary report are based on a thorough and detailed analysis of the information obtained from various sources. Some of this data has required subjective interpretation and certain assumptions in order to arrive at the final conclusion regarding the values. As a result, the opinions and conclusions contained in this summary report are subject to the following Assumptions and Limiting Conditions:

## **VALUATION**

### **Confidentiality**

This summary report is confidential to the party to whom it is addressed, for the specific purpose to which it refers, and no responsibility is accepted to any third parties. This summary report is to be used in whole and not in part.

Nor the whole, nor any part of this summary report may be reproduced in any form without our permission. Moreover, the summary report shall not be distributed to any third party through advertising, public relations, news, sales, or other media, without our prior written consent.

### **Source of Information**

All information (including financial, legal, technical or commercial) provided to us by external sources (i.e. client, collaborators, etc.) is assumed to be true and correct. Although, wherever possible, we check the authenticity of the received data, we assume no liability resulting from misinformation. Nothing contained herein is to be considered a warranty of any kind.

### **Liability**

We do not guarantee the fulfilment of any estimates contained within this summary report, although they have been conscientiously prepared on the basis of our expertise, research and information made available to us.

Subsequently, our valuation figures should be considered as “best estimates” of the achievable values.

### **Court Appearance**

We do not give testimony or attendance in court by reason of this valuation unless otherwise stipulated in the agreement signed between us and the client.

### **Date of Value**

We take no responsibility for any events, conditions or circumstances affecting the value of the property, that take place subsequent to either the valuation date or the date of our field inspection, whichever occurs first.

### **Rounded Figures**

Our estimations are generated through calculation models created within computer programs that have the capacity of producing very precise results. In the interest of simplifying their presentation, these have been rounded in the present summary report. Thus, there may be cases where small rounding errors exist.

## **SUBJECT PROPERTY**

### **Ownership Rights**

Although we check the relevant ownership documents when these are provided, nothing in this summary report can be interpreted as a legal opinion as concerns the state of the title. The interpretation of legal documents is a matter for lawyers and our assumptions must be checked by the client's legal advisers. Thus, we take no responsibility for matters of legal nature and our valuations are based on the assumption that the title is marketable and free of any deed restrictions and easements.

### **Planning (zoning)**

Although we check the plausibility of 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 property. Where verification of this information is impractical, we assume that the property has the necessary statutory consents for the current buildings and use.

### **Site Survey**

We do not carry out archaeological, ecological or environmental surveys of the subject sites. Unless we are otherwise informed, our valuations are on the basis that these matters are suitable and do not affect the development potential of the sites.

#### **Building Survey**

During our inspections, we do not normally carry out a building survey to establish the details of any building defects or disrepair. However, we check for obvious defects that would impact on the value, unless a special assumption to that effect is agreed upon. We take no responsibility for any hidden or unapparent conditions of the property, subsoil or supporting structure that would render it more or less valuable. Thus, our valuations are performed on the basis that the building is in good repair, except for any defects specifically noted.

#### **Deleterious Materials**

Our valuations are 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, or PCBs. We are not qualified to detect these substances or estimate any costs involved with their removal and urge the client to employ the services of an expert in this field, if desired.

#### **Environmental Matters**

We do not carry out environmental surveys to assess if any land or premises are, or have been, contaminated. Therefore, our valuations are performed on the basis that the properties are not affected by environmental factors. Nevertheless, if in the course of our inspections, through normal enquiries or by local knowledge, we find out about environmental factors which could impact on the value, we will discuss them with the client.

#### **Property Management**

The quality of on-site management has a direct effect on the economic viability and value of a property. The financial forecasts on which our valuations are based assume both responsible ownership and competent management. Any deviation from this assumption may have a significant impact on the future operating income and expenses and value estimation.

#### **Services**

Our valuations are based on the assumption that the building services, and any associated controls or software, are in working order or free from defect.

#### **Tenants**

For the valuation of income producing assets, we do not perform a financial verification of the tenant's status and we assume that the tenants are capable of meeting their financial obligations under the lease.

#### **Measurements**

As valuers, we do not normally carry out measurements of buildings or sites. Thus, our valuations are based on the areas provided by the client. Wherever possible, we check the received data with the cadastral documents or excerpts from the Land Book.

#### **Operating permits**

Unless otherwise mentioned within the summary report, our appraisals are carried out based on the assumption that all the operating permits required for the use of the analysed buildings (e.g. notices for the connection to utility networks, public health notice, environmental notice, fire safety notice, fire safety authorization etc.) have been obtained and are valid at the valuation date.