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PART OF THE CBRE AFFILIATE NETWORK

VALUATION REPORT

East Gate Logistic Warehouse Complex

28 Zaporizka Street, Boryspil City, Kyiv Region, Ukraine

Prepared for:	NEW UKRAINE PE HOLDING LIMITED
Report date:	7 February 2020
Valuation date:	31 December 2019

Expandia LLC, part of the CBRE Affiliate Network, independently prepares client valuations and related advice and is solely responsible for the contents of this report

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Respectfully Yours,

Sergiy Sergiyenko
General Director
Expandia LLC

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(i) Addressees of the Report; or

(ii) Parties who have received prior written consent from CBRE in the form of a reliance letter.

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EXECUTIVE SUMMARY

1 EXECUTIVE SUMMARY

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Confirmed:

Sergiy Sergiyenko
General Director
Expandia LLC

Attn:
Mr. Georgious Hr. Kyrou
Director
NEW UKRAINE PE HOLDING LIMITED

Dear Sir,

This executive summary has been prepared at the request of NEW UKRAINE PE HOLDING LIMITED and represents an integral part of the valuation report dated 7 February 2020 on determining the market value of the subject property – East Gate Logistic Warehouse Complex with the total area of 49,716.4 sq m located at 28 Zaporizka Street, Boryspil City, Kyiv Region, Ukraine.

The Valuation was carried out according to valuation services agreement No. V061118/1, between NEW UKRAINE PE HOLDING LIMITED and CBRE Ukraine (Expandia LLC) dated 6 November 2018.

Based on our analysis, it is our opinion that the **market value** of the subject property, effective **December 31, 2019,** subject to underlying Assumptions and Conditions set out herein is:

$22,600,000
Twenty Two Million Six Hundred Thousand US Dollars exclusive VAT.

The indicated value is based on an exposure time of 12-18 months.

This executive summary represents integral part of the valuation report, which in its turn describes the method and approach to value in support of the conclusion and contains the relevant data gathered in our investigation of Client's data and the current market conditions. The market value of the property was calculated under the Income Approach. The valuation has been carried out according to RICS Valuation – Global Standards (2017). This valuation report has been prepared for audit and financial reporting under IFRS.

We confirm the independence of this valuation. We have had no regard to any legal proceedings and the value represented herein is totally impartial. If you have any questions, we would be pleased to discuss the valuation further.

Stanislav Ivanov MRICS, REV
Director
Valuation and Advisory Services

Nataliya Ivancho MRICS
RICS Registered Valuer
Associate Director
Valuation and Advisory Services

Volodymyr Shcherbak
Senior Valuer
Valuation and Advisory Services

Date to Date Comparison

VALUATION METRICS	CURRENT VALUATION (31/12/19)	PREVIOUS VALUATION (31/12/18)	CHANGE
Methodology	Capitalisation	Capitalisation	
Market Value	$22,600,000	$20,600,000	9.7%
Gross Income	$3,566,838	$3,252,005	9.7%
NOI	$2,945,114	$2,678,083	10.0%
Average Fixed Rent, per sqm/month (incl. parking)	$5.0	$4.5	10.0%
Market Rent (ERV), per sq m/month*	$5.0	$4.5	10.0%
Capitalisation Rate	13.00%	13.00%	-

** Fixed Rent +Other incomes*

The market value of the Property has increased by +9.7% since our last valuation. The value change is caused predominantly by the increase of incomes generated by the warehouse by +10.0.

The year 2019 was generally stable demonstrating moderate increase of rental values on the background of strengthening of the occupier demand. In the H2 2019 investment activity started to increase following the uncertainty in H1 2019 due to the presidential and parliament elections.

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VALUATION REPORT

2 VALUATION REPORT

Report Date	7 February 2020
Addressee	NEW UKRAINE PE HOLDING LIMITED
The Property	East Gate Logistic Warehouse Complex with the total area of 49,716.4 sq m located at 28 Zaporizka Street, Boryspil City, Kyiv Region, Ukraine.
Instruction	To value on the basis of Market Value the freehold interest in the building of the Property as at the Valuation Date in accordance with valuation services agreement No. V061118/1, between NEW UKRAINE PE HOLDING LIMITED and CBRE Ukraine (Expandia LLC) dated 6 November 2018.
Valuation Date	31 December 2019
Capacity of Valuer	External
Purpose	Audit and financial reporting under IFRS
Market Value	$22,600,000 (TWENTY TWO MILLION SIX HUNDRED THOUSAND US DOLLARS) EXCLUSIVE VAT The valuation has been prepared on the basis of "Market Value" which is defined 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". Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using analysis of the property's performance.
Compliance with Valuation Standards	The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 ("the Red Book"). We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently. Where the knowledge and skill requirements of The Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the

working papers, together with confirmation that each named valuer complies with the requirements of The Red Book.

Normative Legal Documents

The valuation of subject property was undertaken considering the following national normative legal documents:

- National standard of valuation #1 "General principles of property and property rights valuation" (NS 1) approved by Decree of the Cabinet of Ministers #1440 dated September 10, 2003.
- National standard of valuation #2 "Valuation of real estate" (NS 2) approved by Decree of the Cabinet of Ministers #1442 dated October 28, 2004.
- Law of Ukraine "On valuation of property, property rights and professional valuation services in Ukraine".
- Other legislative acts of Ukraine, normative documents and references.

Special Assumptions

No

Assumptions

The property details on which each valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

Variation from Standard Assumptions

None

Market Conditions

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the property had been properly marketed and that exchange of contracts took place on this date.

Valuer

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Global Standards 2017 (The Red Book).

Disclosure

CBRE Ukraine had been performing the continuous valuations of real estate portfolio for the affiliate company of the Client, during 2009-2013 and 2017-2019.

Reliance

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information

We have been supplied with the documents from the Client for the Property, which included:

- Ownership certificate for real estate property
- Land lease agreement
- Copies of tenancy agreements
- P&L data for 2019
- OPEX data for 2019
- CAPEX data for 2020
- Tenancy schedule data for 2020
- Plan of the property

We have not provided independent verification of the information contained within the documents nor have we verified that it is complete and accurate. Where supplied with legal documents relating to the property we have had regard to them in undertaking our valuations which reflect our understanding of such information. However, we will not take responsibility for the legal interpretation of these documents. We reserve the right to amend our opinions of value should any legal information be provided which contains a material variation from the assumptions we have adopted in our valuations.

The Property

Our report contains a brief summary of the property details on which our valuation has been based.

Inspection

We inspected the Property both externally and internally in March 2019.

Areas

We have not measured the Property but have relied upon the floor areas provided to us as by the Client.

Environmental Matters

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Property and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigation into the past or present uses of the Property, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

Repair and Condition

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.

Titles, Tenures and Lettings

Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

VALUATION ASSUMPTIONS

Highest and Best Use

The market value of an asset reflects the concept of its highest and best use. In accordance with IVS - 2017, framework section, "the highest and the best use is the use of an asset that maximizes its potential and that is possible, legally permissible and financially feasible.

In other words, the purpose of the HBU analysis is to determine the functional use which will bring the maximum value to the subject property.

Taking into account the size, location, condition of the property and other relevant factors as well as initial data and assumptions, which were provided by the Client and have influence on the subject property, we came to the conclusion that warehouse would be the highest and best use of the property.

Taxes and Purchaser's costs

No allowances have been made for any expenses of realization nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in our valuation.

Environmental Matters

In the absence of any information to the contrary, we have assumed that:

(a) the Property is not contaminated and is not adversely affected by any existing or proposed environmental law;

(b) any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities.

Title, Tenure, Planning and Lettings

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that the Property possesses a good and marketable title free from any onerous or hampering restrictions or conditions.

LEGAL NOTICE

This valuation report has been prepared by Expandia LLC (CBRE Ukraine) exclusively for NEW UKRAINE PE HOLDING LIMITED in accordance with the terms of the service agreement dated 06.11.2018. The Report is confidential and it must not be disclosed to any person other than the Client without CBRE's prior written consent. CBRE Ukraine has provided this report on the understanding that it will only be seen and used by the Client and no other person is entitled to rely upon it, unless CBRE Ukraine has expressly agreed in writing. Where CBRE Ukraine has expressly agreed that a person other than the Client can rely upon the report then CBRE Ukraine shall have no greater liability to any party relying on this report than it would have had if such party had been named as a joint client under the Instruction.

CBRE's maximum aggregate liability to all parties, howsoever arising under, in connection with or pursuant to reliance upon this Report, and whether in contract, tort, negligence or otherwise shall not exceed the fee under the valuation service agreement.

CBRE shall not be liable for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise, arising from or in connection with this Report. Nothing in this Report shall exclude liability which cannot be excluded by law.

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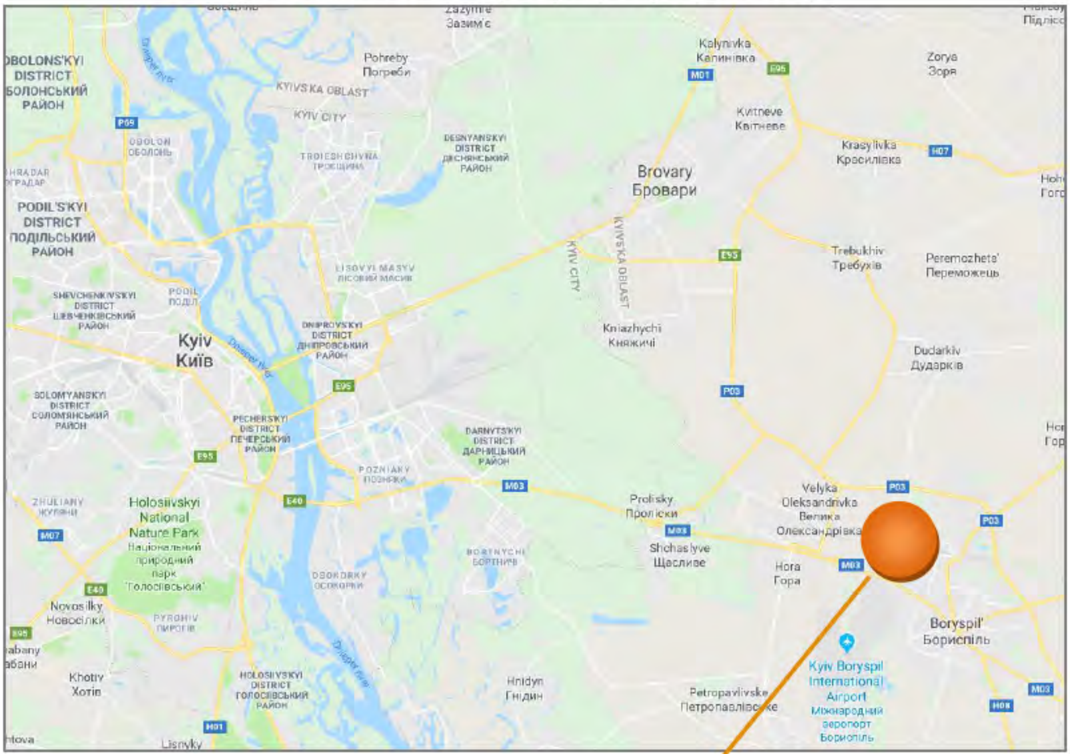
PROPERTY DETAILS

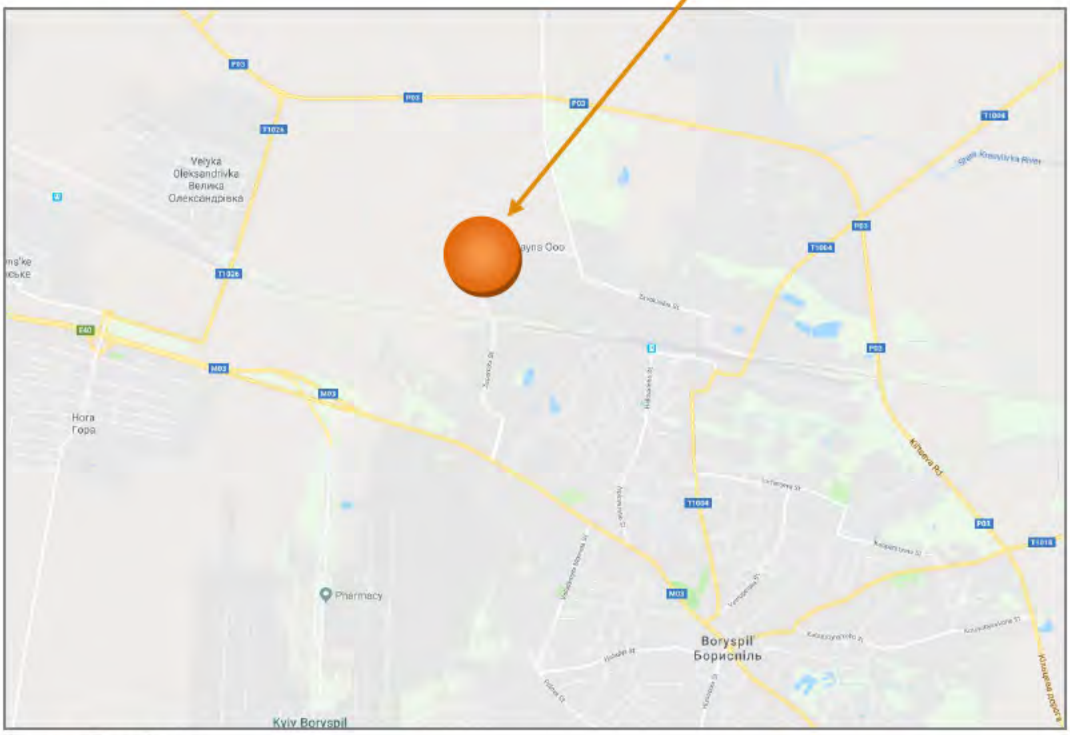
3 PROPERTY DETAILS

Location

Location of the subject property on the map



Source: Google map



Source: Google map

The subject property is located within Boryspil City boarders, which has the population of more than

60,000 inhabitants. The address of the warehouse complex is 28 Zaporizka St., Boryspil City, Kyiv Region, Ukraine. Kyiv city border is approximately 14 km away from the subject property while the nearest metro station - Boryspilska is located in a distance of almost 20 km from the subject property. The property is located close to the Boryspil International Airport, in a distance of about 6 km to the south. The surrounding area of the property is represented by agricultural land and industrial district of Boryspil City.

View to the subject property from the satellite

Accessibility

E-40 international highway which leads to Kyiv is located in a distance of 3 km from EGL and can be easily accessed from Zaporizka and Brovarska Streets. Brovary city can be accessed via P-03 Highway, which is a part of new Ring Road. The quality of both highways is good. Zaporizka Street, in its turn, requires some repairments.

Site Description

The land plot is of irregular shape and has no visible altitude difference. As per the information provided, the total area of the subject land plot comprises 8.0000 ha. The land plot is zoned for development of industrial and warehouse complex. A shape of the land plot as per the cadastral map is shown below.

Land plot plan

Technical Description

The subject property comprises operating warehouse complex.

Main properties parameters are provided in the table below:

ADJACENT TERRITORY	
1. Full address	28 Zaporizka Street, Boryspil City, Kyiv Region, Ukraine
2. Date of construction	2007
3. Management company	Rustler Real Estate Service LLC
ADJACENT TERRITORY	
1. Area of the land plot, sq m	80,000
2. Parking (surface/underground).	Surface
3. Number of parking lots	n/a
BUILDING (LITERA A-5)	
1. Total area, sq m	49,198
a) *Office premises, sq m*	3,614
b) *Mezzanine, sq m*	5,483
c) *Warehouse premises*	40,101
2. Number of entrances	48 loading entrances
3. Type of foundation	Concrete
4. Type of building (brick, monolithic frame etc.)	Metal frame, bricks
5. Basement (area and type of use)	-
6. Ceiling height, meters	
a) Office premises	3 m
b) Mezzanine, sq m	4 m
c) Warehouse premises	12 m
7. Floor bearing capacity, kg/ sq m	4 t/sq m – warehouse; 360 kg/sq m – mezzanine; 360 kg/sq m - office
TELECOMMUNICATIONS	
1. Number and operator of telephone lines	2 lines

2. Other communications	Internet
POWER SUPPLY	
1. Category of electricity supply	2
2. Availability of diesel generator	9 KVA
3. Capacity	2 MW
FIRE SAFETY	
1. Availability of fire line	+
2. Availability of smoke removal system	+
3. Availability of sprinkler system	+
4. Smoke detectors	+
5. System of fire alarm notification	+
VENTILATION	
1. Ventilation system	+
LIFTS	
1. Number of passenger lifts, loading capacity	-
2. Number of freight lifts, loading capacity	-
WATER SUPPLY	
1.Water	Autonomous

Condition

Our inspection suggests the condition of the premises to be without obvious defects without signs of natural deterioration. However, no special structural survey has been conducted, nor did we inspect any parts of the structure or the site, which were covered, unexposed or inaccessible. We are unable, therefore, to give any assurance that the Property is free from defect. Our valuation has been prepared on the basic and critical assumption that this property is free of physical or structural defects or soil contamination, which would adversely affect its value. For greater certainty a detailed building survey should be undertaken.

Tenure

We have been provided with copies of the title documents of building and the land plot. Tenure details are provided as follows.

Document	Ownership certificate
Date	27.02.2007
Owner	East Gate Logistic LLC
Property	1st phase of industrial and warehouse complex with the total area of 24,092.8 sq m, located at 28 Zaporizka Street, Boryspil City, Kyiv Region, Ukraine.

Document	Ownership certificate
Date	31.07.2007
Owner	East Gate Logistic LLC
Property	2nd phase of industrial and warehouse complex with the total area of 25,623.6 sq m, located at 28 Zaporizka Street, Boryspil City, Kyiv Region, Ukraine. Land lease agreement

Document	*Land lease agreement*
Date of the lease beginning	12.04.2005
Owner	Boryspil City Council
Lease term	25 years since
Property	Land plot of 8.0000 ha, cadastral number 3210500000:03:001:0001, located at 28 Zaporizka Street, Boryspil City, Kyiv Region, Ukraine, zoned for development of industrial and warehouse complex

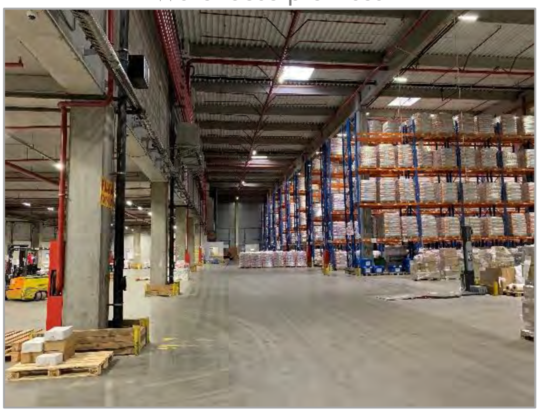
Copies of the tenure documents are attached as Appendix B of this report.

Pictures of the Property

Facade of the subject property

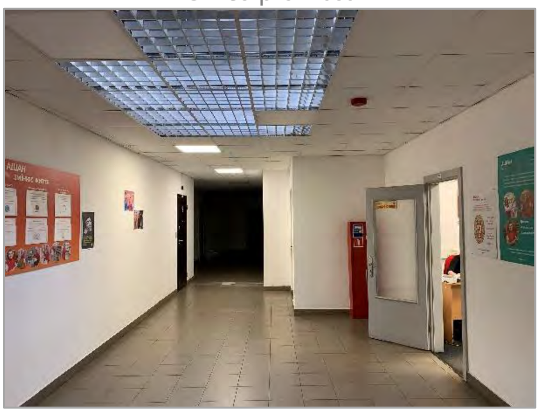
Drive-in accesses

Warehouse premises

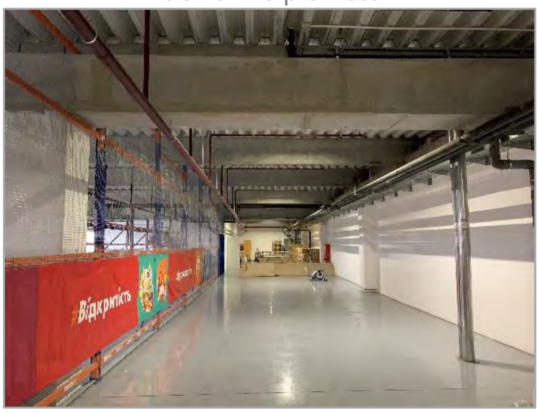


Warehouse premises

Office premises



Mezzanine premises



4

MARKET OVERVIEW

4 MARKET OVERVIEW

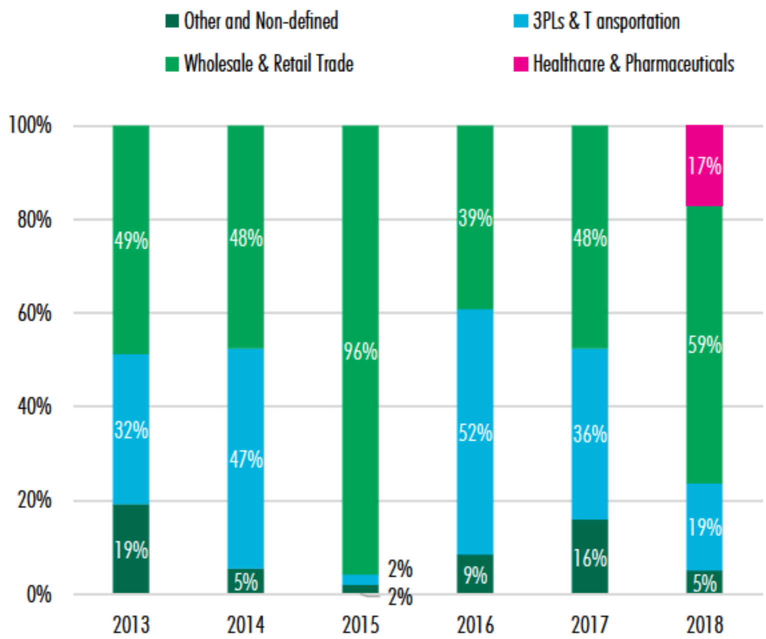
Kyiv Warehouse Market

Demand

2018 was a positive year for the warehouse sector, seeing a 31% upturn in take-up volume reaching ca. 157,000 sqm (including end-user acquisitions). As a general trend in 2018, leasing activity was subject to pent-up demand effect, following a period of 2014-2016 turmoil. Leasing transactions dominated on the market, where only 3% of take-up volume accounted for end-user acquisitions [redacted]

Tenants from the Wholesale & Retail Trade sector stayed active in their expansions opening new store locations and, thus, becoming the initial warehouse demand driver, with a 59% share of the total take-up volume. Sustainable growth of retail turnover in Kyiv (+2.7% y-o-y) is among the key factors that had a positive impact on the letting activity in this sector. The rest of the take-up volume was represented by Healthcare & Pharmaceuticals sector (17%), followed by Logistics Operators sector (19%) and other industries (5%). A slight downturn in the volume of lettings by Logistics Operators was the result of scarce necessary size units on offer at the market, as 3PL occupiers were mainly after large warehouse space. [redacted]

Figure : Total Take-up Structure by Industry*



*volume of transactions
Source: CBRE Ukraine

Table : Key Lease & Sales Transactions in 2018

OCCUPIER	INDUSTRY	PROPERTY	DIRECTION	SQ M	DEAL TYPE I	DEAL TYPE II	Class
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

OCCUPIER	INDUSTRY	PROPERTY	DIRECTION	SQ M	DEAL TYPE I	DEAL TYPE II	Class
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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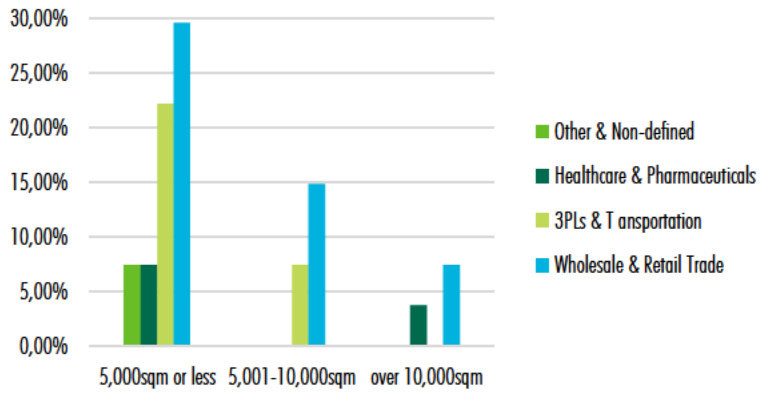
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Source: CBRE Ukraine

Figure: Lease Take-up Structure by Industry and Transaction Size*



*number of lease transactions
Source: CBRE Ukraine

Notwithstanding the fact that small leases (5,000 sqm and less) dominated in the take-up structure with a 67% share, the share of large transactions (over 10,000 sqm) posted an upward trend accounting for 11% in 2018 vs 5% in 2017. Such trend was the result of growing business activity, supported by steady economic fundamentals of 2018. [redacted] In 2018, relocation remained the key reason behind new lettings, comprising 52% in the total volume, while the next largest stake was taken by the occupies entering the market (20%), followed by those expanding (19%), and others (9%).

Supply

2018 registered a modest volume of new supply represented by ca. 9,700 sqm of warehouse space, comprised of Warehouse of E&E Cable Solutions (3,500 sqm) in the direction of Zhytomyr (M-06, E-40) and Warehouse Sofia Ltd (6,200 sqm) in the direction of Fastiv (M-05/M-06, P-04), where the latter was leased to a food retailer Novus immediately after completion. As such, total speculative stock increased marginally to 1.26mio sqm (+0.8% y-o-y) as of the end of 2018. Looking into the pipeline, speculative stock awaits ca. 100,000 sqm of new deliveries over the 2019-2020 period, including projects both in outer- and inner-city locations. Importantly, the evolution of e-commerce projects and marketplace platforms serves as a driver for growing demand for modern warehouse premises within the city to ensure efficient supply chain management from the moment the order receipt to delivery. A myriad of factors in the warehouse segment, including scarce supply and appreciating rents, make the market ripe for built-to-suit warehouse development, although effective rental rates are yet to reach economically viable levels for investors to follow through.

Table: Key Warehouse Schemes in the Pipeline 2019-2020

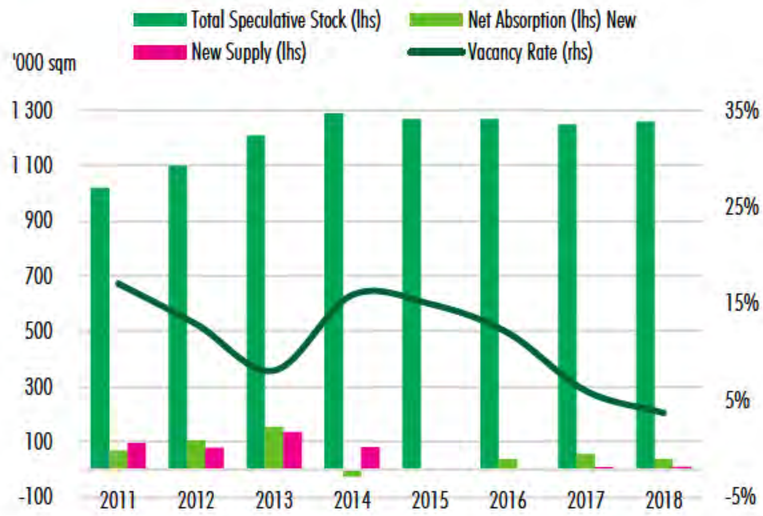
NAME	DEVELOPER	WAREHOUSE PREMISES, SQ M	STATUS	ANNOUNCED COMPLETION
Unilogic Park III	MERX	22,000	Under Construction	2019
Mirazh 3	Mirazh	9,000	Under Construction	2019
Amtel (Phase II)	Amtel Properties	52,000	Project	2019
SAN Factory 2 Storage Area Network	Skyline Development	23,400	Project	2020

Source: CBRE Ukraine

Vacancy & Rents

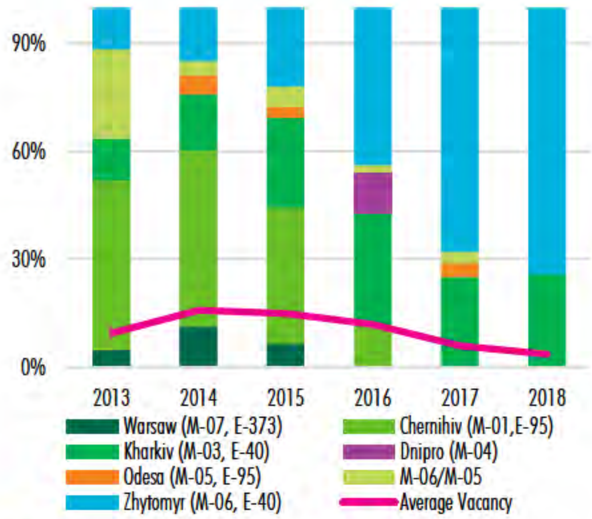
The impact of concurrently growing demand and slackening delivery of new supply resulted in the reduction of average market vacancy to 3.7% (-2.3pp y-o-y). On the one hand, vacancy indicator has been decreasing for 5 years in a row and hit a new record low result in 2018. On the other hand, net absorption edged down, hindered by a lack of available supply. Such market condition allowed landlords to gradually appeal to USD-denominated rents again. Looking into the distribution of vacant space across submarkets, the scant available supply was distributed along Zhytomyr (M-06, E-04) and Kharkiv (M-03, E-04) accounting for 74% and 6%, respectively. The rest of the directions registered no vacant premises by the end of 2018, as the remaining warehouse morsels were taken along directions of Odesa (M-05, E-95) and M-05/M-06 taking the number of available premises along these highways to zero.

Figure: Net Supply. Net Absorption and Vacancy Rate



lhs – left hand side; rhs – right hand side
Source: CBRE Ukraine

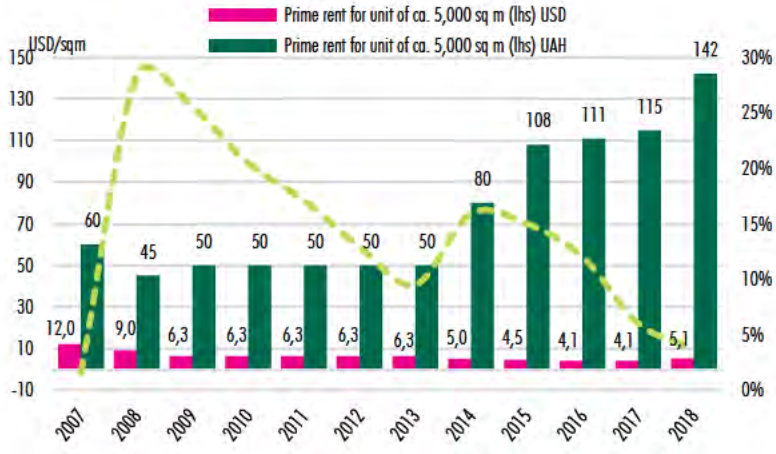
Figure: Vacant Stock Distribution by Highways*



*base – total volume of vacant space
Source: CBRE Ukraine

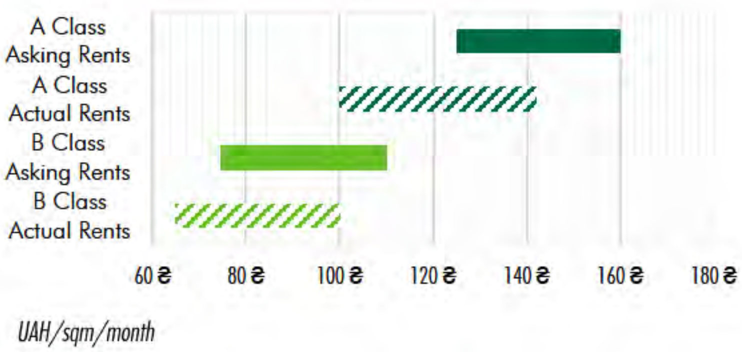
Asking rents remained mostly denominated in UAH, ranging between UAH125-UAH160 ($4.5-$5.7) /sqm/month for A-class ambient warehouse, and between UAH75-UAH110 ($2.7-$3.9) /sqm/month for B-class ambient warehouses. While demand for the leftover warehouse space stimulated an increase in UAH denominated rent, rents denominated in USD were slightly handicapped by deflationary pressure in the second half of 2018. Therefore, **prime effective rent** ranged between **UAH100-UAH142 ($3.6-$5.1) /sqm/month,** posting 20-29% y-o-y growth in UAH and 20-24% in USD. In 2018 asking rents for Class A cold warehouse facilities (temp. between 0-6°C) varied in the UAH210-UAH230 ($7.5-$8.2) /sqm/month range, while actual rents were between UAH190-UAH210 ($6.8-$7.5) /sqm/month.

Figure: Actual Prime Rental Rate and Vacancy, as of 2018



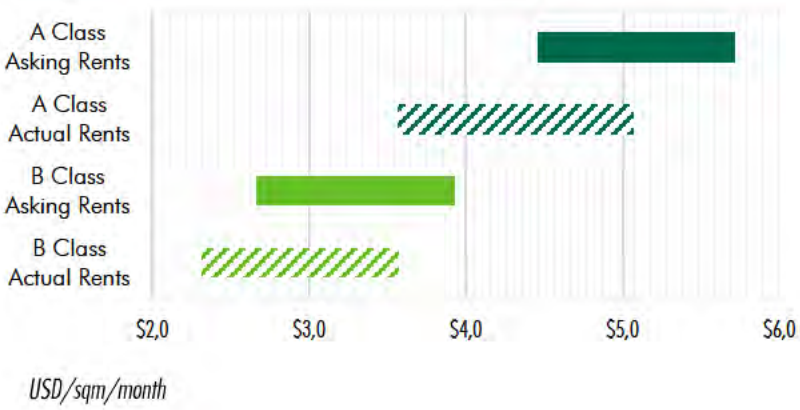
lhs – left hand side; rhs – right hand side
Source: CBRE Ukraine

Figure: Rents for Ambient Warehouses (UAH/sqm/month)



Source: CBRE Ukraine

Figure: Rents for Ambient Warehouses (USD/sqm/month)



Source: CBRE Ukraine

Investment

Investor sentiment within the warehouse segment mimicked the general strengthening of economic indicators and thus growing demand for storage requirements. [redacted]

[redacted] The warehouse segment holds potential for yield-searching investors to benefit from forecast strengthening on the market, evident from steadily growing rental rates and their gradual transition to USD. Following a number of deals finalized in the segment of the year, prime yield firmed up by 0.75 pp to 13%.

Outlook

We expect occupier demand for warehouse space to grow, with more expansion requirements coming from logistics operators and e-commerce players. However, large-scale requirements will be hard to accommodate in the current market condition due to low vacancy and sluggish development activity in the sector. Owing to such imbalance on the market, the volume of take-up in 2019 is likely to be supply-constrained, triggering a consequent increase in prime rental rate for best leftover warehouses space. Owing to progressive expansion of postal and fulfillment services, the market is craving for centrally-located warehouses to gain competitive advantage in delivery times, and this trend is likely to become at the forefront of demand in the segment. The projected volume of new additions over 2019-2020 period (ca. 100,000 sqm) is likely to be absorbed rapidly upon delivery, following the ongoing trend of diminishing average market vacancy. With rents poised for growth to pre-crisis levels in the next few years, a rise in built-to-suit projects will follow in due course.

5

VALUATION METHODOLOGY

5 VALUATION METHODOLOGY

According to the generally accepted valuation practice there are three main approaches to valuing real property: Cost Approach, Market Approach and Income Approach.

The **Cost Approach** provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction.

This approach is based on the principle that the price that a buyer in the market would pay for the asset being valued would, unless undue time, inconvenience, risk or other factors are involved, be not more than the cost to purchase or construct an equivalent asset. Often the asset being valued will be less attractive than the alternative that could be purchased or constructed because of age or obsolescence. Where this is the case, adjustments may need to be made to the cost of the alternative asset depending on the required basis of value.

The Cost Approach is usually applicable in case of valuing specialized properties which typically are not traded in the open market. It is not used by market participants for valuing properties such as ones under consideration and has not been used for valuation purposes in this particular case, mainly because of its inability to assess certain important characteristics such as location, surroundings, property concept, etc.

The **Market Approach** provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. Under this approach the first step is to consider the prices for transactions of identical or similar assets that have occurred recently in the market. If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analyzed. It may be necessary to adjust the price information from other transactions to reflect any differences in the terms of the actual transaction and the basis of value and any assumptions to be adopted in the valuation being undertaken. There may also be differences in the legal, economic or physical characteristics of the assets in other transactions and the asset being valued.

Considering the subject property we have adopted the **income approach** to value the subject property. When applying Income Approach, direct capitalisation method the next steps should be followed in order to determine the value of property:

- Estimation of property revenues – leasable areas are multiplied by corresponding rental rates.
- Estimation of other incomes generated by the property.
- Estimation of the expenses associated with property operation.
- Estimation of expenses reimbursed by tenants.
- Estimation of net operating income (NOI).
- Estimation of the capitalisation rate.
- Net property value is received.

The result obtained in the course of implementation of above steps yields value of an operating property.

A

CALCULATIONS

APPENDIX A - CALCULATIONS

Income Approach

Income approach is based on the assumption that value of the property is a function of incomes that the property can generate.

Areas and Vacancy

According to the rent roll provided by the Client, the principal income generating area (GLA) as of December 2019 comprises 49,198.0 sq m. As at the valuation date, the occupancy of the subject property comprises 93.6% or 46,042 sq m. Among vacant premises there are 3,156 sq m of office and mezzanine premises, therefore it was accepted as the structural vacancy, given the type of vacant scape.

Parameter	Figure
GLA, sq m	49,198.5
Currently occupied, sq m	46,042
Currently vacancy, sq m	3,156
Current vacancy rate	6.4%

Rental Income

[redacted]

We have carefully studied the P&L data and actual payments received by Client during the period January - December 2019 as well as examined budget for 2020 in accordance with the actual tenancy agreements. Based on the tenancy agreements, incomes which are going to be generated in January 2020 was estimated at the level of $245,426, which in its turn represents a stabilised market level as of the valuation date. Tenancy schedule of the subject property based on tenancy agreement data is shown below:

Tenant	Line	Leased area, December 2019	Date of lease expiry	
[redacted]		[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]		[redacted]
	[redacted]	[redacted]		[redacted]
	[redacted]	[redacted]		[redacted]
	[redacted]	[redacted]		[redacted]
	[redacted]	[redacted]		[redacted]
	[redacted]	[redacted]		[redacted]
[redacted]		[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]		[redacted]
	[redacted]	[redacted]		[redacted]
[redacted]		[redacted]	[redacted]	
	[redacted]	[redacted]		[redacted]
	[redacted]	[redacted]		[redacted]

OPEX and OPEX reimbursement

In addition to rent, the tenants also make OPEX payments at the exact amount per square metre. As per the information provided, the operating expenses are fully reimbursed by the tenants on factual open book scheme.

As per Client's data, the annual operating expenses of the Property comprise USD 621,724 net of VAT. Therefore, as per the information provided, monthly OPEX comprise $1.05 per sq m of GLA per month, net of VAT on average. We forecast for the following periods that OPEX will be paid by tenants in full in the same system in 2020. [redacted]

Parameter	Figure
OPEX, $ per year	$621,724
Average monthly OPEX/sq m, $	$1.05
[redacted]	[redacted]
% of OPEX reimbursement	100%
Total annual OPEX reimbursement	$621,724

Reversionary Yield

Capitalization Rate and SWOT Analysis

Strengths	Weaknesses
• Location in proximity to Kyiv and within boundaries of Boryspil City • Long-term lease agreement with the main tenant • High occupancy • Good condition of the property • Tenancy agreements are signed in Euros	• Poor condition of access road • Outdated sewerage system
Opportunities	**Threats**
• Further improvement of business activity • Further rent growth in warehouse segment on the background of limited market supply, virtual absence of speculative stock under development and growing demand from the side of local and international players.	• Risks of exchange rate fluctuations

Considering strengths and weaknesses of the subject property we believe that **13%** will be achievable level of the reversionary yield for the subject property.

Reversion Value

Property Reversion Value calculation is provided in the table below:

Parameter	Reversion
NOI	$2,945,114
Yield	13.0%
Reversion value	**$22,654,725**

The value of the subject property was finally adjusted by budgeted CAPEX for 2020.

Parameter	Reversion
Reversion value	$22,654,725
CAPEX	$72,085
Market Value	$22,582,640
Market Value (rounded)	$22,600,000

Therefore, the received result under income approach equals to **$22,600,000 (rounded)**.

B

TITLE DOCUMENTS

APPENDIX B - TITLE DOCUMENTS

Land lease agreement

№ 110

Бориспільська об'єднана державна податкова інспекція Київської області
ЗАРЕЄСТРОВАНО 21 04 2005
Підпис

УКРАЇНА UKRAINE

ДОГОВІР
оренди землі

Місто Бориспіль, Київської області, двадцяте квітня дві тисячі п"ятого року

Орендодавець – **Бориспільська міська рада** Київської області /код ЄДРПОУ-04054903/ в особі міського голови Придатка Олександра Михайловича, який діє на підставі Закону України "Про місцеве самоврядування в Україні", протоколу Бориспільської окружної (територіальної) виборчої комісії від 01.04.2002 року та рішення Бориспільської міської ради від 01 березня 2005 року № 1444, з одного боку, та орендар – **Товариство з обмеженою відповідальністю "РЕВІКО ЛОГІСТІК УКРАЇНА"** /код ЄДРПОУ-32614649/, в особі директора СОРОКІНОЇ ТЕТЯНИ ВАСИЛІВНИ, яка мешкає за адресою: м.Київ, вул.Старонаводницька, буд.4, кв.72, що діє на підставі Статуту ТОВ "Ревіко Логістік Україна", зареєстрованого в Державному реєстрі Бориспільської міської державної адміністрації Київської області, 03.09.2004 р. за №-13541050001000020, засвідчено Кучеренко Н.П., приватним нотаріусом Київського міського нотаріального округу, 09.07.2004 року за реєстром №2760, та Рішення Учасника Товариства з обмеженою відповідальністю "Ревіко Логістік Україна" засвідчено Демченко Л.В., приватним нотаріусом Київського міського нотаріального округу 27.10.2004 року за реєстром №3085, з другого, уклали цей договір про нижченаведене:

Предмет договору

1. Орендодавець надає, а орендар приймає в строкове платне користування земельну ділянку, яка належить до земель несільськогосподарського призначення під розміщення виробничо-складського комплексу (землі промисловості) в районі північної промислової зони в м.Борисполі, Київської області, (кадастровий номер земельної ділянки – 3210500000:03:001:0001).

Об'єкт оренди

2. В оренду передається земельна ділянка загальною площею 8,00 гектарів.
3. На земельній ділянці не знаходяться об'єкти нерухомого майна.
4. Нормативна грошова оцінка земельної ділянки становить 4 351 334,40 (чотири мільйони триста п"ятдесят одна тисяча триста тридцять чотири гривні) 40 коп.

Строк дії договору

5. Договір укладено на 25 (двадцять п"ять) років. Після закінчення строку договору орендар має переважне право поновлення його на новий строк. У цьому разі орендар повинен не пізніше ніж за 30 (тридцять) днів до закінчення строку дії договору повідомити письмово орендодавця про намір продовжити його дію.

Орендна плата

6. Орендна плата вноситься орендарем у грошовій формі в розмірі 1 (одного) відсотку від нормативної грошової оцінки земельної ділянки.
7. Розмір річної орендної плати становить 43 513,34 (сорок три тисячі п"ятсот тринадцять гривень) 34 коп. Орендна плата сплачується щомісячно в розмірі 3 626,11 (три тисячі шістсот двадцять шість гривень) 11 коп. Обчислення розміру орендної плати за землю здійснюється з урахуванням індексів інфляції.
8. Орендна плата вноситься орендарем до 15 (п'ятнадцятого) числа місяця наступного за звітним на [illegible]й рахунок орендодавця: № 33217812500004, УДК у Київській області м. Ки[illegible]1018, КДБ 13050200, ЗКПО 23570059, "Місцевий бюджет" м.Бориспіль.

№ 033200

Ownership certificate for phase 1

424

СВІДОЦТВО

про право власності

НА НЕРУХОМЕ МАЙНО

Київська обл., м. Бориспіль 13.07.2007

Бориспільська міська рада

Тип об'єкта: Перша черга виробничо- складського комплексу.

Адреса об'єкта: Київська обл., м. Бориспіль, вул. Запорізька 28

Власники	Форма власності	Частка
Товариство з обмеженою відповідальністю " Іст Гейт Лоґістик "	приватна	1/1

Опис об'єкта:
виробничо- складський комплекс з вбудованими офісно-побутовими приміщеннями, А-ІІІ, 24092,8 кв.м.;

Підстава: рішення виконавчого комітету Бориспільської міської ради
Дата: 27.02.2007
Номер: 142

Міський голова Федорчук А. С.

Серія ЯЯЯ № 800581

Ownership certificate for phase 2

119

СВІДОЦТВО
про право власності
НА НЕРУХОМЕ МАЙНО

Київська обл., м. Бориспіль 08.08.2007

Бориспільська міська рада

Тип об'єкта: Друга черга виробничо- складського комплексу
Адреса об'єкта: Київська обл., м. Бориспіль, вул. Запорізька 28

Власники	Форма власності	Частка
Товариство з обмеженою відповідальністю " Іст Гейт Лоґістик "	приватна	1/1

Опис об'єкта:
виробничо- складський комплекс, А-III, 25623,6 кв.м.;

Підстава: рішення виконавчого комітету Бориспільської міської ради
Дата: 31.07.2007
Номер: 637

Міський голова Федорчук А. С.

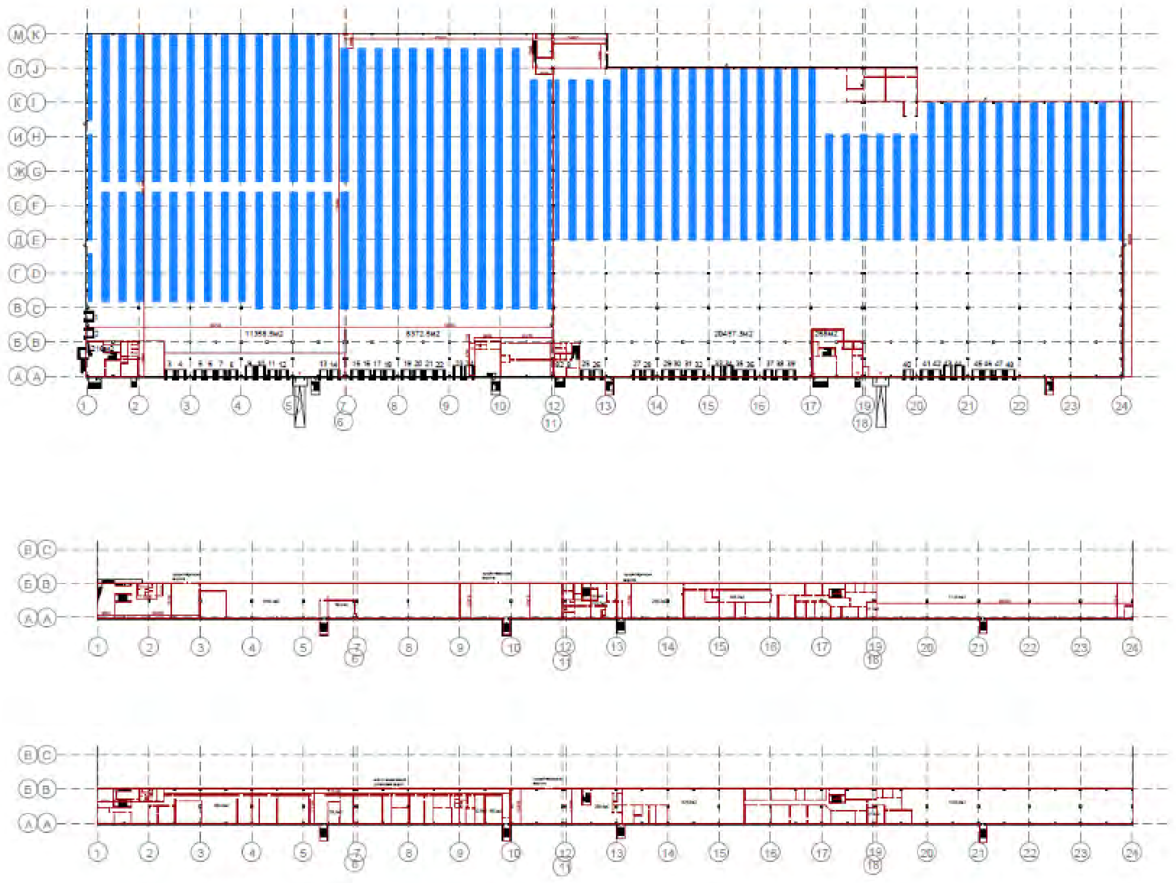
Серія ТАЯ № 900690

C

FLOOR PLANS

APPENDIX C – FLOOR PLANS

Plan of warehouse, office and mezzanine premises



D

CERTIFICATES

APPENDIX C - CERTIFICATES

This certificate issued by Ukraine's State Property Fund in accordance with Ukrainian legislation confirms that CBRE Ukraine is eligible to perform valuation of real property.

ФОНД ДЕРЖАВНОГО МАЙНА УКРАЇНИ

СЕРТИФІКАТ № 432/18

суб'єкта оціночної діяльності

Дата видачі "25" травня 2018 р.

Виданий **ТОВАРИСТВУ З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ «ЕКСПАНДІА»**

(найменування юридичної особи або прізвище, ім'я та по батькові фізичної особи – підприємця)

Реквізити суб'єкта господарювання **03150, м. Київ, вул. Велика Васильківська, буд. 100**

(місцезнаходження/ місце проживання.

35415496

код за ЄДРПОУ (реєстраційний номер облікової картки платника податків або серія та номер паспорта (для фізичних осіб, які через свої релігійні переконання відмовляються від прийняття реєстраційного номера облікової картки платника податків та офіційно повідомили про це відповідний контролюючий орган і мають відмітку у паспорті))

Напрями оцінки майна, щодо яких дозволена практична оціночна діяльність: 1.Оцінка об'єктів у матеріальній формі. 2.Оцінка цілісних майнових комплексів, паїв, цінних паперів, майнових прав та нематеріальних активів, у тому числі прав на об'єкти інтелектуальної власності.

(зазначається необхідне)

Спеціалізації в межах напрямів оцінки:

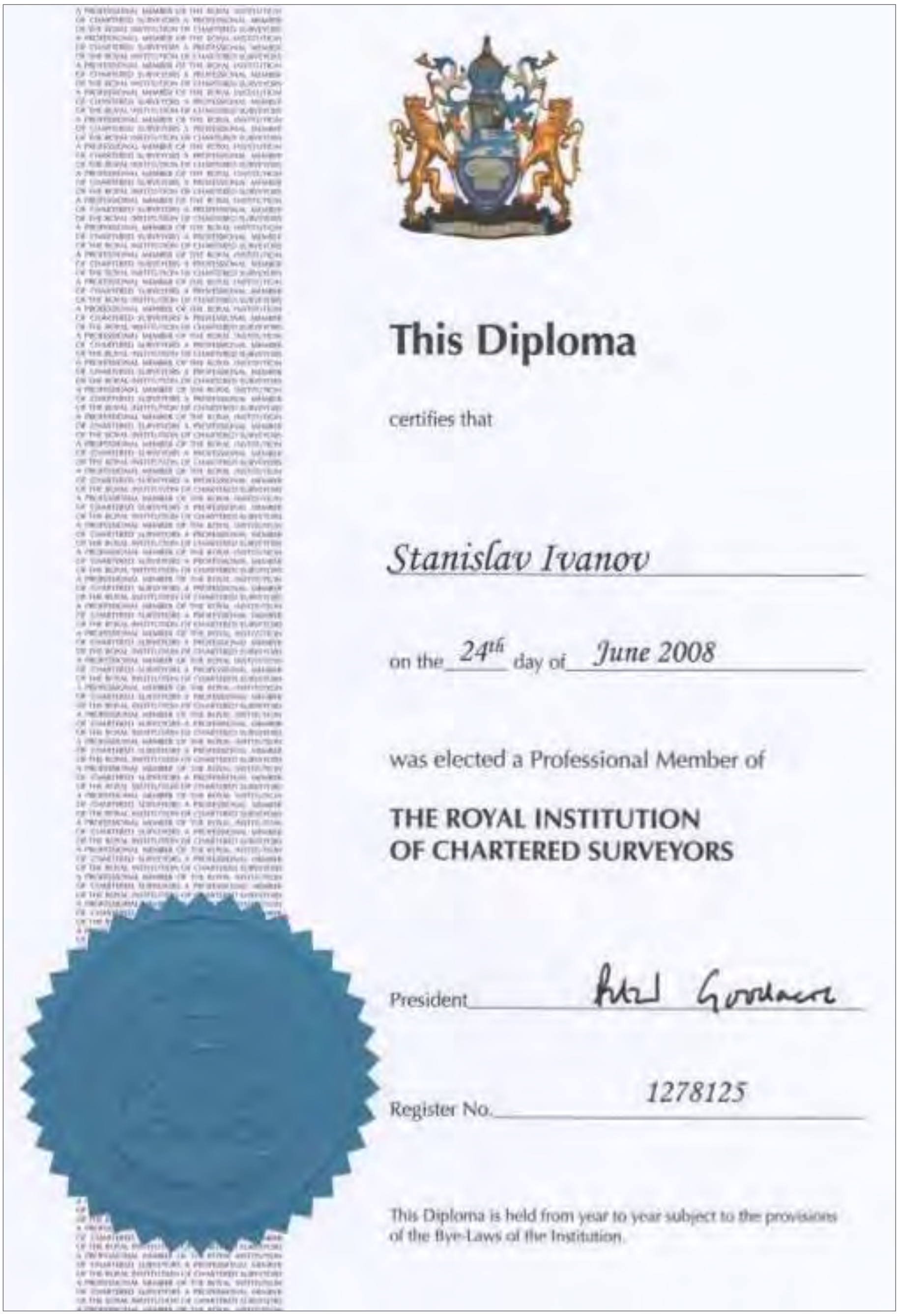
1.1. Оцінка нерухомих речей (нерухомого майна, нерухомості), у тому числі земельних ділянок, та майнових прав на них.
1.2. Оцінка машин і обладнання. 1.3. Оцінка колісних транспортних засобів. 1.4. Оцінка літальних апаратів. 1.5. Оцінка судноплавних засобів.
1.7. Оцінка рухомих речей, крім таких, що віднесені до машин, обладнання, колісних транспортних засобів, літальних апаратів, судноплавних засобів, та тих, що становлять культурну цінність.
2.1. Оцінка цілісних майнових комплексів, паїв, цінних паперів, майнових прав та нематеріальних активів (крім прав на об'єкти інтелектуальної власності). 2.2 Оцінка прав на об'єкти інтелектуальної власності.

(зазначається необхідне)

Строк дії з "25" травня 2018 р. до "25" травня 2021 р.

В. о. Голови Фонду **В. Трубаров**

These certificates issued by Royal Institution of Chartered Surveyors confirm that Mr. Stanislav Ivanov and Ms. Nataliya Ivancho are certified for the purposes of valuation of real property in accordance with Red Book Standards.



This Diploma

certifies that

Stanislav Ivanov

on the *24th* day of *June 2008*

was elected a Professional Member of

THE ROYAL INSTITUTION
OF CHARTERED SURVEYORS

President

Register No. *1278125*

This Diploma is held from year to year subject to the provisions of the Bye-Laws of the Institution.

Nataliia Ivancho

on

4 November 2015

WAS ELECTED A **PROFESSIONAL MEMBER** OF
THE ROYAL INSTITUTION OF CHARTERED SURVEYORS

6569031

MEMBERSHIP NUMBER

PRESIDENT OF RICS

RICS

This diploma is held from year to year subject to the provisions of the bye-laws of the Institution.

These certificates issued by Ukraine's State Property Fund in accordance with Ukrainian legislation confirm that Mr. Stanislav Ivanov, Ms. Nataliya Ivancho and Mr. Volodymyr Shcherbak are qualified for the purposes of valuation of real property.

Фонд державного майна України

КП "Інформаційно-консультаційний центр" УТО

Українське товариство оцінювачів

СЕРТИФІКАТ

№ 363 від 28 грудня 1995 р.

підтверджує, що

ІВАНОВ СТАНІСЛАВ ВОЛОДИМИРОВИЧ

володіє достатнім рівнем професійної підготовки для самостійного проведення експертної оцінки майна, майнових прав та бізнесу на території України.

Сертифікат виданий на підставі рішення спільної сертифікаційної комісії Фонду державного майна України та Українського товариства оцінювачів, що діє на учбово-методичній базі Колективного підприємства "Інформаційно-консультаційний центр" УТО про підтвердження кваліфікації відповідно до сертифікату № 363 від 28 грудня 1995 р.

Фонд державного майна України

КП "Інформаційно-консультаційний центр" УТО

Рада Українського товариства оцінювачів

ФОНД ДЕРЖАВНОГО МАЙНА УКРАЇНИ МІЖНАРОДНИЙ ІНСТИТУТ БІЗНЕСУ

КВАЛІФІКАЦІЙНЕ СВІДОЦТВО ОЦІНЮВАЧА

МФ № 9338 "19" грудня 2009 р.

Засвідчує про те, що Іванчо Наталія Тарасівна

успішно склав(склала) кваліфікаційний іспит (рішення Екзаменаційної комісії від 19 грудня 2009 р., протокол № 40) та підтверджує його(її) достатній фаховий рівень підготовки оцінювача за програмою базової підготовки за напрямом оцінки майна **"Оцінка об'єктів у матеріальній формі"** та спеціалізаціями в межах напряму:

"Оцінка нерухомих речей (нерухомого майна, нерухомості), у т.ч. експертна грошова оцінка земельних ділянок"; "Оцінка машин і обладнання"; "Оцінка дорожніх транспортних засобів"; "

"Оцінка рухомих речей, крім таких, що віднесені до машин, обладнання, дорожніх транспортних засобів, літальних апаратів, суднoплавних засобів, та тих, що становлять культурну цінність".

В. о. Голови Фонду державного майна України Д. М. Парфененко

Президент Міжнародного інституту бізнесу В. М. Заболотний

БЕЗСТРОКОВЕ

ФОНД ДЕРЖАВНОГО МАЙНА УКРАЇНИ ПВНЗ "МІЖНАРОДНИЙ ІНСТИТУТ БІЗНЕСУ"

КВАЛІФІКАЦІЙНЕ СВІДОЦТВО ОЦІНЮВАЧА

МФ № 69 "08" квітня 2017 року

Засвідчує те, що Щербак Володимир Олександрович

успішно склав(-ла) кваліфікаційний іспит (рішення Екзаменаційної комісії від 08 квітня 2017 року, протокол № 69), та підтверджує його (її) достатній фаховий рівень підготовки оцінювача за програмою базової підготовки за напрямом оцінки майна **"Оцінка об'єктів у матеріальній формі"** та спеціалізаціями в межах напряму:

1.1 "Оцінка нерухомих речей (нерухомого майна, нерухомості), у тому числі земельних ділянок, та майнових прав на них".

Голова Екзаменаційної комісії Н. П. Лебідь (підпис) (ініціали, прізвище) М. П.

Виконавчий віце-президент Міжнародного інституту бізнесу Ю. М. Зеленін (підпис) (ініціали, прізвище) М. П. (за наявності)

БЕЗСТРОКОВЕ