

VALUATION REPORT

Villa Astra

Bas Backerlaan 12-14, Apeldoorn, The Netherlands

Holland Immo Group

Date of Valuation: 8 September 2020

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This valuation report (the “Report”) has been prepared by CBRE Valuation & Advisory Services B.V. (“CBRE”) exclusively for Holland Immo Group (the “Client”) in accordance with the terms of engagement entered into between CBRE and the client dated 24 August 2020 (“the Instruction”).

The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

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- i. an amount of three (3) times the fee that has been agreed in the Instruction; or
- ii. € 1 million (one million euro).

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None of the information in this Report constitutes advice as to the merits of entering into any form of transaction.

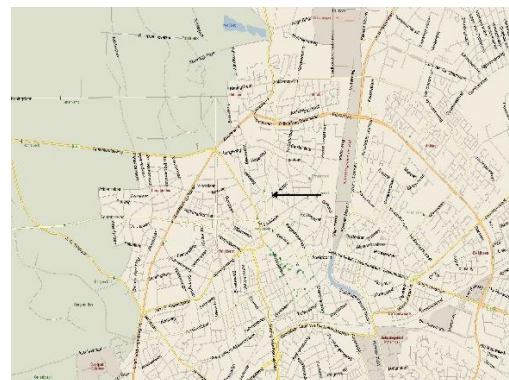
If you do not understand this legal notice then it is recommended that you seek independent legal advice.

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This executive summary should be read in conjunction with the valuation report and should not be relied upon in isolation. It is provided subject to the assumptions, disclaimers and limitations detailed both throughout this report.



The Property

| | |
|------------------|---|
| Address: | Villa Astra Bas Backerlaan 12-14, Apeldoorn, The Netherlands |
| Main Use: | Private nursing home |
| Area: | 699 sq m LFA 1,278 sq m GFA |

Tenure

According to the information available from the Land Registry Office (Kadaster) the property is held freehold by De heer Petrus Hubertus Carolus Josephus van Doorne and Mevrouw Carolina Maria Gabrielle van Doorne and registered as follows:

| | |
|---------------|------------------------------------|
| Municipality: | Apeldoorn |
| Section: | H |
| Number: | 8474 and 9596 |
| Area: | 525 sq m and 817 sq m respectively |
| Total area: | 1,342 sq m |

Comment

- We have read the title deed and have not found easements or perpetual clauses.
- We would like to mention that the above is our interpretation of the documentation reviewed. As we are not legal advisors we advise to obtain an opinion from a legal expert.

Copies of the land registry extracts can be found in Appendix C.

Tenancies and Covenant Strengths

At valuation date, the property is let to Senior Living B.V. by means of a masterlease contract. Senior Living B.V. is part of Korian SA, a French listed multinational healthcare provider. The healthcare operator is Stepping Stones Home & Care B.V. Stepping Stones Home & Care B.V. was acquired in April 2019 by Korian SA. As of January 2021, there will be a name change to "Korian Zorg B.V."

The property comprises 20 apartments, which are leased individually to senior residents with alzheimer's dementia or problems with amnesia. The property also benefits from a relatively large communal area and a private outside area.

As of the valuation date, the remaining lease term amounts to 10.2 years. An in-depth analysis of the tenant falls out of the scope of this report. We have assumed that the property investment market would be of the opinion that the tenant provides good financial security.

Gross Income

€ 318,753 per annum

€ 456 per sq m LFA per annum

€ 1,328 per apartment per month

Net Income

€ 310,184 per annum

€ 444 per sq m LFA per annum

€ 1,292 per apartment per month

Gross Market Rent

€ 312.000 per annum

€ 446 per sq m LFA per annum

€ 1,300 per apartment per month

Net Market Rent

€ 307,319 per annum

€ 440 per sq m LFA per annum

€ 1,280 per apartment per month

Rental income – the potential effect of Covid-19

The valuation we have provided reflects the rental income as at the date of valuation, as set out within this report, which you have confirmed to be correct and comprehensive. It also reflects any issues concerning the anticipated cash-flow that you have advised us of, as set out within this report. Given the uncertainties relating to the Covid-19 virus and the current restrictions on business activities, it is likely that there will be significant rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact on the value of the subject property.

We would like to address that we assume the current tenant provides a good financial security. Also, part of the healthcare costs are compensated by the government, which reduces the financial risk. The current Covid-19 virus could affect the occupancy rate. However, we did not investigate nor did we receive detailed information about the financial security, the turnover and occupancy rate of the property. This falls out of the scope of this report.

Market Value

€ 6,635,000 (six million six hundred thirty-five thousand euros)

Comment

- With the above Market Value the purchaser should allow for additional purchasers' costs, including transfer tax, broker and legal fees. The above value is exclusive of VAT, if applicable.

Yield Profile

| | |
|------------------------------|--------|
| Net Initial Yield | 4.62% |
| Gross Initial Yield | 4.80% |
| Gross Initial Yield (v.o.n.) | 4.66% |
| Gross Multiplier | 20.82x |

SWOT-analysis

Strengths

- Authentic appearance of the subject property (p. 26)
- Daily facilities and city centre nearby (p. 25)
- Green surroundings nearby (p. 25)
- 2% transfer tax applicable (instead of 6%) (p. 41)

Weaknesses

- Relatively small outside area (p. 30)

Opportunities

- The average age of elderly will increase the demand of healthcare, this results in a growth for potential tenants (p. 32)
- Increasing interest of investors to invest in healthcare properties in the Netherlands (p. 32)

Threats

- Economic uncertainty due to COVID-19 (p. 38)
- Changes in care legislations could affect the way healthcare is organized and financed (p. 32)

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VALUATION REPORT

VALUATION REPORT



CBRE Valuation & Advisory Services B.V.

Gustav Mahlerlaan 405

1082 MK Amsterdam

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| | |
|-----------------------------|---|
| Report Date | 9 October 2020. |
| Addressee | Holland Immo Group Mrs. T. van Dalen Flight Forum 154 5606 LS Eindhoven E-mail: t.vandalen@hollandimmogroup.nl |
| The Property | Villa Astra Bas Backerlaan 12-14, Apeldoorn, the Netherlands. |
| Property Description | The property comprises a health care villa (private nursing home) with a lettable floor area of 699 sq m. |
| Ownership Purpose | Investment. |
| Instruction | To value the unencumbered freehold-equivalent interest in the property on the basis of Market Value as at the valuation date in accordance with the terms of engagement entered into between CBRE Valuation & Advisory Services B.V. and the addressee(s) dated 24 August 2020. |
| Valuation Date | 8 September 2020. |
| Type of Valuation | Full valuation. |
| Method of Valuation | Income capitalisation approach. In appendix D a further explanation on the method of valuation can be found. |
| Capacity of Valuer | External Valuer, as defined in the current RICS Valuation – Global Standards. |



| | |
|--|---|
| Purpose of Valuation | <p>Acquisition and financing purpose.</p> <p>The valuation will be prepared for the abovementioned purpose and may not be used for other purposes.</p> |
| Market Value | <p>€ 6,635,000 (six million six hundred thirty-five thousand euros)</p> <p>Comment</p> <ul style="list-style-type: none">■ With the above Market Value the purchaser should allow for additional purchasers' costs, including transfer tax, broker and legal fees. The above value is exclusive of VAT, if applicable. <p>Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms.</p> |
| Special Assumptions | <p>No.</p> |
| Events after valuation date | <p>We are not aware of events after valuation dates that would substantially affect value.</p> |
| Number of draft report versions | <p>2.</p> |
| Compliance with Valuation Standards | <p>The valuation has been prepared in accordance with the current RICS Valuation – Global Standards including the International Valuation Standards (the "Red Book") and the Dutch Register of Real Estate Valuers (Nederlands Register Vastgoed Taxateurs or NRVt).</p> <p>CBRE Valuation & Advisory Services B.V. and her valuers are regulated by the RICS and the valuers are regulated by the NRVt. As a part of this regulation, audits can be carried out by RICS and NRVt and as a part of this process they have the right to access our files, purely for audit purposes.</p> |

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 from experience with the valuation of comparable real estate and keep up with research/literature regarding the real estate market and market transactions.

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.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the valuation date.

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.

We would advise you that whilst we have valued the Properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

Valuer

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book and the Dutch Register of Real Estate Valuers.

Independence

The valuers declare that they comply with the fundamental principles of objectiveness and independence in carrying out this valuation. The objectiveness and independence are ensured by following the ethical codes of the Royal Institution of Chartered Surveyors and the Dutch Register of Real Estate Valuers.

The total fees, including the fee for this assignment, earned by CBRE Valuation & Advisory Services B.V. (or other companies forming part of the same group of companies within the Netherlands) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total Dutch revenues.

Conflict of Interest

We have valued this property on 14 February 2019 for another client. We have informed Holland Immo Group about this. We have prepared our valuations in the knowledge that there is no conflict of interest.

Reliance

The contents of this Report may only be relied upon by:

- (i) Addressees of the Report; and
- (ii) Parties who have received prior written consent from CBRE in the form of a reliance letter;

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.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation Standards or the incorporation of the special assumptions referred to herein.

Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and “lockdowns” applied to varying degrees. While restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary – and the emergence of significant further outbreaks, or a “second wave”, is possible.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date, some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to ‘material valuation uncertainty’, as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

Yours faithfully,

For and on behalf of

CBRE Valuation & Advisory Services B.V.,



**R.H. Smorenburg MRICS RT CIS
HypZert (MLV) REV**

RICS Registered Valuer

**Registered in the NRVt under number
RT679820773**

**Chamber Commercial Real Estate –
Large Real Estate**

Executive Director

E: Roderick.Smorenburg@cbre.com

Yours faithfully,

For and on behalf of

CBRE Valuation & Advisory Services B.V.,



E. Zonnenberg MSc MRICS RT

RICS Registered Valuer

**Registered in the NRVt under number
RT663124402**

Associate Director

E: Erik.Zonnenberg@cbre.com

Yours faithfully,

For and on behalf of

CBRE Valuation & Advisory Services B.V.,

A handwritten signature in blue ink, consisting of a series of loops and a long diagonal stroke.

M. Beckers MSc

Consultant

E: Milou.Beckers@cbre.com

Our ref.: CLIQ#0061Y00000sDheL

SOURCES OF INFORMATION

We have carried out our work based upon information supplied to us by the client and upon information we received from sources which we deem to be credible. We assume that all relevant information has been provided to us and that this information is correct and comprehensive. An overview of the received and consulted information, including an explanation on the verification of the information can be found in the below table.

| Description | Source | Explanation / Verification |
|--|--------------------------------|---|
| Ownership | | |
| Title deed | Client | Consulted. |
| Cadastral information | Land Registry | Consulted. |
| Ground rent deed | Land Registry | Consulted. |
| Property information | | |
| Drawings | Client | We have consulted the drawings prepared by Geesink Weusten Architecten dated 26 August 2011. |
| Overview of areas | Client | We have been provided with an area overviews. |
| Measurement certificate according to Dutch norm NEN2580 | - | Not received. |
| Long Term Maintenance Budget / assessment of maintenance costs | Vastgoed Adviseurs Online B.V. | For assessing the annual maintenance provision, we used the index booklet Vastgoed Taxatiewijzer Exploitatiekosten. |
| Property Tax | - | n/a. |
| Water Tax | - | n/a. |
| Sewage | - | n/a. |
| Sustainability | ep-online.nl | n/a. |
| Insurance Premium | BIM Media B.V. | The insurance premium has been based on the index number from the booklet [her]bouwkosten bedrijfspanden. |
| Property Tax | - | n/a. |

| Description | Source | Explanation / Verification |
|---|------------------------------------|--|
| Tenancy information | | |
| Tenancy schedule with actual incomes and expiration dates | - | Not received. |
| Lease agreements and amendments | Client | We have been provided with the lease agreement and an addendum about the new tenant. |
| Environmental Considerations | | |
| Soil Survey | - | Not received. |
| Environmental reports | - | Not received. |
| Bodemloket.nl | - | Consulted. |
| Asbestos | - | Not received. |
| Zoning Information | | |
| Zoning Plan | Ruimtelijkeplannen.nl | We have checked the website ruimtelijkeplannen.nl for the prevailing zoning plan. |
| Market information | | |
| Estimated Rental Value | STRABO and CBRE | To obtain comparable transaction we have used VTIS, an online database with rental transactions. Also, we used the internal CBRE database. |
| Market Value / yield | CBRE Valuation & Advisory Services | CBRE Valuation & Advisory Services maintains an internal database with investment transactions. |
| Other | | |
| Other information | BAG-Viewer | Consulted. |
| Investment memorandum | Client | We have received the investment memorandum for this property. |
| Maintenance plan | Client | We have received the maintenance plan prepared by NIBAG and dated 8 December 2014. |
| Occupancy rate | Client | We have received an overview with the occupancy rate. |
| WOZ value | Client | We have received the WOZ value. |
| Court ruling regarding transfer tax | Client | We have received the "uitspraak van de meervoudige belastingkamer van 02 sep. 2020" from "Rechtbank Gelderland" |
| Organisation chart | Client | We have received an organisation chart of Korian SA. |

If apparent that the information or assumptions on which we have based our valuations are not, or not completely, applicable, the calculated value of a Property can be incorrect and the Property should be assessed once more.

Any information received by CBRE Valuation & Advisory Services B.V. after the report date of the final valuation report has not been taken into consideration for this valuation.

SCOPE OF WORK

The Property

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

Inspection

We inspected the Property internally and externally on 8 September 2020. The inspection was undertaken by M. Beckers. Furthermore, an external inspection was undertaken by E. Zonnenberg on 5 March 2019. E. Zonnenberg is registered in the NRVt under the number RT663124402. We do not consider it necessary the property has to be inspected externally again, because there were no changes within the property or events which could have affect the property.

Valuations and accompanying research and inspections are carried out in a manner that we consider most fitting to the content of the valuation report as agreed in the Terms of Engagement and the circumstances of the case.

Areas

In The Netherlands areas are determined according to the NEN2580 norm. We have not measured the Property but have relied upon the floor areas provided by you, which we have assumed to be correct and comprehensive and that they indeed reflect the lettable floor area.

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.

Services and Amenities

We understand that all main services including water, drainage, electricity and telephone are available to the property.

None of the services has been tested by us.

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.

We have seen a copy of a maintenance plan prepared by NIBAG and dated 8 December 2014.

Town Planning

We have checked the town planning on the national website www.ruimtelijkeplannen.nl. We cannot accept responsibility for incorrect information on this website.

Titles, Tenures and Lettings

Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. 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.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

VALUATION ASSUMPTIONS

Capital Values

The valuation has been prepared on the basis of "Market Value" which is defined as:

"The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

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

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

Rental Values

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.

The Property

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

All measurements, areas and ages quoted in our report are approximate.

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.

Sustainability

Based on the information available on <https://www.ep-online.nl/> we conclude the subject property possesses an Energy Performance Certificate label A.

Repair and Condition

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

(a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the property;

(b) the Property is free from rot, infestation, structural or latent defect;

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the Property; and

(d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Property. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

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:

(a) the Property possesses a good and marketable title free from any onerous or hampering restrictions or conditions;

(b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;

(c) the Property is not adversely affected by town planning or road proposals;

(d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

(e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the relevant disability discrimination legislation;

(f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

(g) tenants will meet their obligations under their leases;

(h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

(i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and

(j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

Gross Initial Yield

The Gross Initial Yield reflects the gross yield of the property and is calculated as follows: the gross rental income divided by the Market Value.

Net Initial Yield

The Net Initial Yield reflects the net yield of the property and is calculated as follows: the net rental income divided by the Market Value before acquisition costs.

Gross Rental Income

The rental income as paid by the tenants, exclusive of VAT and service charges.

Net Rental Income

The rental income as paid by the tenants, exclusive of VAT and service charges minus the estimated annual non-recoverables.

Gross Estimated Rental Value

The rental value for the property / a unit in the property as estimated by the valuer, exclusive of VAT and service charges.

Net Estimated Rental Value

The rental value for the property / a unit in the property as estimated by the valuer, exclusive of VAT and service charges minus the estimated annual non-recoverables.

Floor Areas

Below, the most widely used definitions of floor areas are provided. In The Netherlands, areas are generally measured using the Dutch norm NEN2580. The below area definitions are concise. For the full definitions we refer to the definition book as provided by NEN (the company who prepared the definition).

**Gross Floor Area
(GFA)**

The gross floor area (according to Dutch norm NEN2580) of a room or group of rooms is the area, measured at floor level, along the perimeter of the vertical dividing structures that enclose the room or group of rooms in question. In the GFA included are the areas of stairwells, lift shafts and vertical utility shafts and the area of a free-standing exterior column if its ground area is greater than or equal to 0.5 sq m.

**Net Lettable Area
(NLA)**

The net lettable floor area (according to Dutch norm NEN2580) of a room or group of rooms is the area, measured between the vertical dividing structures that enclose the room or group of interior rooms in question. Where identical building functions adjoin each other, the measurement is to the centre of the dividing structure in question.

At the location of window openings in the vertical dividing structures on the exterior walls, measurement takes place up to the inside of the glass at 1.5 metres above the floor and at the width of these window openings.

Several areas such as amongst others technical areas, vertical transport areas, an airlock to the stairwell, if the airlock provides access to the stairwell only, (parts of) areas less than 1.5 metres in height, do not fall within the lettable area.

**Usable Floor Area
(UA)**

The usable floor area (according to Dutch norm NEN2580) of a room or group of rooms is the area, measured at floor level, between the vertical dividing structures that enclose the room or group of rooms in question.

Several areas such as technical areas, vertical transport areas, (parts of) areas less than 1.5 metres in height, do not fall within the usable floor area.

3

PROPERTY REPORT

PROPERTY DETAILS

Location

Apeldoorn is located in the mid-eastern area of The Netherlands in the Province of Gelderland and has a current population of almost 157,000. Apeldoorn is one of the prime city trio Apeldoorn-Arnhem-Nijmegen in the province of Gelderland. Not a large city historically, Apeldoorn has grown to its importance due to a combination of industrial development, the settling of several large government institutions (Belastingdienst, Domeinen, Kadaster) and its attractiveness as a residence on the edge of the forested Veluwe area.

The city is well connected by motorways A1 (Amsterdam – Amersfoort – Apeldoorn – Enschede – Germany) and A50 (Zwolle – Apeldoorn – Arnhem).

Apeldoorn railway station provides frequent services to Amersfoort, Utrecht, Den Haag, Almelo and Deventer. The station offers railway connections to Germany and Poland. Amsterdam Schiphol International Airport, approximately 100 kilometres away, is a major cargo and passenger airport within The Netherlands.

Conclusion

We are of the opinion the location can be considered as good for the use of private nursing homes.

Location map is attached in Appendix A.

Situation

The subject property is situated at the Bas Backerlaan 12-14, in a residential area with several parks in the direct vicinity. The property is situated at approximately 1 kilometre from the city centre. However, there is a convenience store located at circa 250 meters.

The property is located at circa 300 meters from the nearest bus stop. Apeldoorn Central Station can be reached in circa 6 minutes by car and 10 minutes by public transport. Therefore, we are of the opinion that the accessibility by public transport can be considered as good.

By car, the subject property is best accessible through the motorway N344 or the city ring of Apeldoorn, and later the main road Loolaan. The entrance to the motorway and the city ring is located at circa 1.5 kilometres. Therefore, the accessibility by car can be considered as good.

Conclusion

We are of the opinion the subject property is situated on a good location.

Description

The subject property is situated north-west of the city centre of Apeldoorn. It is a villa which has been used for residential purposes in the past, and has been renovated several years ago. It comprises 20 apartments with their own private sanitary facilities. The size of the apartments varies between 14 sq m and 50 sq m. Furthermore, there is a large shared living room and outdoor space at the front and the rear of the property.

The current tenant is Stepping Stones, a small-sized, private healthcare provider/operator in the Netherlands. Stepping Stones was acquired in April 2019 by Korian SA, a French listed multinational healthcare provider and provides healthcare through small-sized and luxurious villas, creating a pleasant atmosphere for its residents. Stepping Stones's target group are elderly with dementia and dementia related diseases whom cannot live independently and require specific healthcare. Patients with a 'ZZP' indication 4 or higher are allowed to live in the villas. Residents can use extra services such as 24-hour services, meals and facilities like general practitioner, physiotherapy, ergotherapy, hairdressers and dentist.

The main structure of the building consists of a masonry base and façade. The window frames are made of wood and equipped with double glazed windows. The property has a pitched roof which is covered with roof tiles. The connection between the buildings has a pitched roof without roof tiles. We are of the opinion that the properties external state of repair can be considered as good. The inside of the building has a luxurious appearance. Therefore, we believe the internal state of repair can be considered as above average.

The property is built around 1900 and consist of three floors. It currently meets all standards necessary for the exploitation of care. However, the hallways are small at some points.

Conclusion

The subject property concerns a private nursing home for the care of elderly with 20 apartments. We are of the opinion the property has a good quality and state of repair.

Photographs of the property are attached in Appendix B.

Usability and Alternative Use

The property includes healthcare facilities with 22 apartments. Given the characteristics of the building and the market conditions, we believe a private care home is the most suitable use. However, we would like to note that the current zoning plan allows for residential use as well.

Services and Amenities

We understand that all main services including water, drainage, electricity and telephone are available to the property.

None of the services has been tested by us.

Accommodation

We have not measured the property, but as instructed, we have relied upon the floor areas as provided via the area overview prepared by De Jong Architecten and dated 11 September 2013. Furthermore, the floor areas have been provided via a unit list. We have cross-referenced the floor areas during our inspection, with the provided ground plans and have also consulted BAG-viewer (a Dutch property repository from the Land Registry Office). On the basis of these two checks we deem the floor areas to be plausible.

In summary, the floor areas are as follows:

Floor areas

| Floor/unit | Use | LFA (sq m) | GFA (sq m) |
|--------------|--------------------|------------|--------------|
| Ground floor | Private healthcare | 332 | 515 |
| First floor | Private healthcare | 200 | 383 |
| Second floor | Private healthcare | 167 | 380 |
| TOTAL | | 699 | 1,278 |

Source: Area overview by De Jong Architecten (d.d. 11 September 2013) and the Unit list.

State of Repair

CBRE have not undertaken a structural survey, nor tested the services. We have been provided with a maintenance plan prepared by NIBAG dated 4 December 2014 and a Technical Due Dilligence report provided on 27 February 2019. We have undertaken only a limited inspection for valuation purposes. From the report provided and our limited inspection we believe the state of repair can be considered above average.

Environmental Considerations

In carrying out this work we have visited the website bodemloket.nl to establish the potential existence of contamination arising out of previous uses of the site and its neighbours and the likelihood of the presence of other environmental factors. Based on the information available from this website we consider there are no factors known which could materially affect value.

Taking into account the building age of the subject property, asbestos might be present in the building. In our valuation, we have not taken any possible presence of asbestos into account. When in doubt, we advise to have a specialized advisor carry out an asbestos survey.

Based on the information from bodemloket.nl, we have not identified any environmental risk factors which, in our opinion, would affect value. However, CBRE give no warranty as to the absence of such environmental risk factors.

Annual Non-recoverables

The client has provided us with information on the following annual non-recoverables: maintenance costs, property tax, water tax and insurance premium. Due to the nature of the so called 'triple-net' lease agreement, all the non-recoverable costs are for the account of the tenant.

See chapter "Sources of Information" for an overview of the sources used for this valuation.

In the table below the adopted annual non-recoverables are provided:

| Cost type | Annual amount (€) |
|-------------------|-------------------|
| Maintenance | - |
| Management | 3,188 |
| Property tax | - |
| Water tax | - |
| Insurance premium | - |
| VAT loss | 669 |
| TOTAL | 3,857 |

Comment

In our valuation, the VAT loss is shown as a capital cost. This amount concerns the total VAT loss for the remaining lease term of 10.2 years.

Town Planning

We have checked Planning on the national website www.ruimtelijkeplannen.nl. We assume the information obtained from www.ruimtelijkeplannen.nl to be correct and complete.

The property is subject to the prevailing zoning plan 'De Parken, Indische Buurt en Beekpark', which was approved by the Municipality of Arnhem on 19 August 2015. The subject property is zoned for "wonen – 1" (translated: Living – 1).

The grounds designated for living use are intended for:

- a. Homes, including assisted living;
- b. Professional practice at home;
- c. Non-public-oriented business activities at home;
- d. Care homes;
- e. Utilities;
- f. Garden and/or yard;
- g. Provisions for water management;

All with the associated structures.

In summary, we are not aware of any issues which would adversely impact upon the value of the property. According to the information available to us, we have no reason to believe the current use is in violation with the prevailing zoning plan.

VAT

We have not been advised whether the property is elected for VAT.

All rents and capital values stated in this report are exclusive of VAT.

LEGAL CONSIDERATIONS

Tenure

According to the information available from the Land Registry Office (Kadaster) the property is held freehold by De heer Petrus Hubertus Carolus Josephus van Doorne and Mevrouw Carolina Maria Gabrielle van Doorne and registered as follows:

| | |
|---------------|------------------------------------|
| Municipality: | Apeldoorn |
| Section: | H |
| Number: | 8474 and 9596 |
| Area: | 525 sq m and 817 sq m respectively |
| Total area: | 1,342 sq m |

Comments

- We have read the title deed and have not found easements or perpetual clauses.
- We would like to mention that the above is our interpretation of the documentation reviewed. As we are not legal advisors we advise to obtain an opinion from a legal expert.

Copies of the land registry extracts can be found in Appendix C.

Tenancies

At valuation date, the property is let to Senior Living B.V. by means of a masterlease contract. Senior Living B.V. is part of Korian SA, a French listed multinational healthcare provider. The healthcare operator is Stepping Stones Home & Care B.V. Stepping Stones Home & Care B.V. was acquired in April 2019 by Korian SA. As of January 2021, there will be a name change to "Korian Zorg B.V." The property comprises 20 apartments, which are leased individually to senior residents with alzheimer's dementia or problems with amnesia. The remaining lease term of this lease agreement is approximately 10.2 years and the total rental income amounts to € 318,753 per annum.

We have been provided with a copy of the lease agreement and the principle terms of the lease are stated below.

| | |
|--------------------------------|---|
| Landlord | Carolina Maria Gabrielle van Doorne en Patrus Hubertus van Doorne |
| Tenant | Senior Living B.V. |
| Area | 699 sq m (LFA) |
| Parking spaces | Not specified |
| Term | 15 year |
| Start date | 1 December 2015 |
| Break option | Not applicable |
| Expiration date | 30 November 2030 |
| Extensions | 5 years |
| Notice period | 1 year |
| Current rental income | € 318,753 |
| Payment period | Monthly |
| Rent Reviews/Indexation | Monthly per 1 December |
| VAT | Tenant is not liable to paying VAT |

The lease is drawn on triple-net terms. Due to the nature of the lease agreement, the costs for maintenance, the property tax, water tax, sewage charge and insurance are for the account of the tenant.

Rental income – the potential effect of Covid-19

The valuation we have provided reflects the rental income as at the date of valuation, as set out within this report, which you have confirmed to be correct and comprehensive. It also reflects any issues concerning the anticipated cash-flow that you have advised us of, as set out within this report. Given the uncertainties relating to the Covid-19 virus and the current restrictions on business activities, it is likely that there will be significant rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact on the value of the subject property.

We would like to address that we assume the current tenant provides a good financial security. Also, part of the healthcare costs are compensated by the government, which reduces the financial risk. The current Covid-19 virus could affect the occupancy rate. However, we did not investigate nor did we receive detailed information about the financial security, the turnover and occupancy rate of the property. This falls out of the scope of this report.

MARKET COMMENTARY

The Dutch healthcare real estate investment market is relative new, but still immature when compared to for example the real estate investment market of offices or retail.

Demand

The demand for healthcare real estate in the investment market remains unprecedented. Despite the coronavirus, in recent months there has been interest from parties in healthcare real estate in the Netherlands. These include both Dutch and foreign (European) parties.

Many transactions have been delayed as a result of the pandemic. For sales that require approval from the Board for the Restructuring of Healthcare Institutions (College Sanering Zorginstellingen), this may mean that the relevant notarial submissions will no longer take place this year. In addition, preparatory applications involving local authorities will take longer and healthcare operators have delayed decisions on sales or contracts to supervise divestments.

New entrants

In other European countries, alternative concepts exist for residential care for senior citizens with and without care requirements. Korian and Orpea – both of which are French in origin – have already made acquisitions in the Netherlands and both have significant expansion targets. However, they are not the only two European operators showing an interest in the Netherlands. In the coming years, we expect to see more new foreign parties enter the Dutch market; in part this will take the form of acquisitions, but notably also by bringing their own distinctive models to the Netherlands.

Private nursing homes

If home is no longer an option due to increasing care needs, many other forms of living are possible. Partly due the ageing of our population, the demand for all forms of quality real estate that can house these forms of accommodation is increasing sharply. Quality real estate for the care sector, in contrast to much outdated care real estate, increasingly provides the look and feel of real homes.

As clients (or their families) become increasingly critical consumers, more and more of them are making conscious choices about where they wish to live and receive care. Many of them visit various care locations before making a final decision.

The government has enabled new forms of financing in order to try to mitigate the increasing cost of care in the Netherlands. This is leading to the emergence of (new) healthcare providers, who are rolling out new residential care concepts.

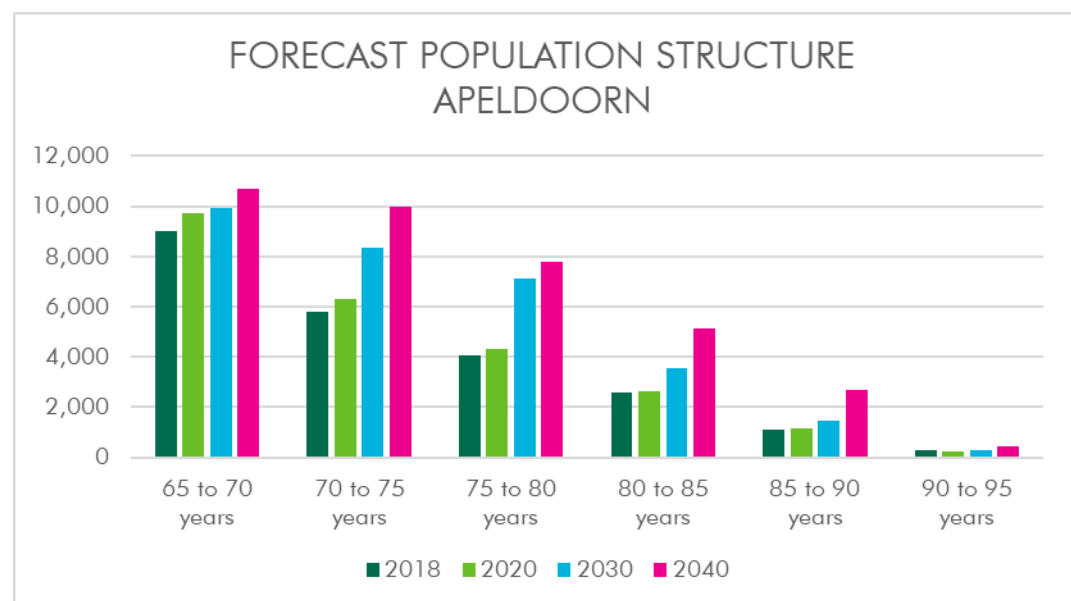
Accommodation for care-dependent senior citizens can be divided into three broad categories:

1. Extramural, for seniors who wish to be ready for the future and/or who do not (initially) require a great deal of care.
2. Intramural (nursing), for seniors who require care and supervision 24 hours a day.
3. Private nursing homes, for those who require care and supervision 24 hours a day and who prefer to live in a smaller-scale location.

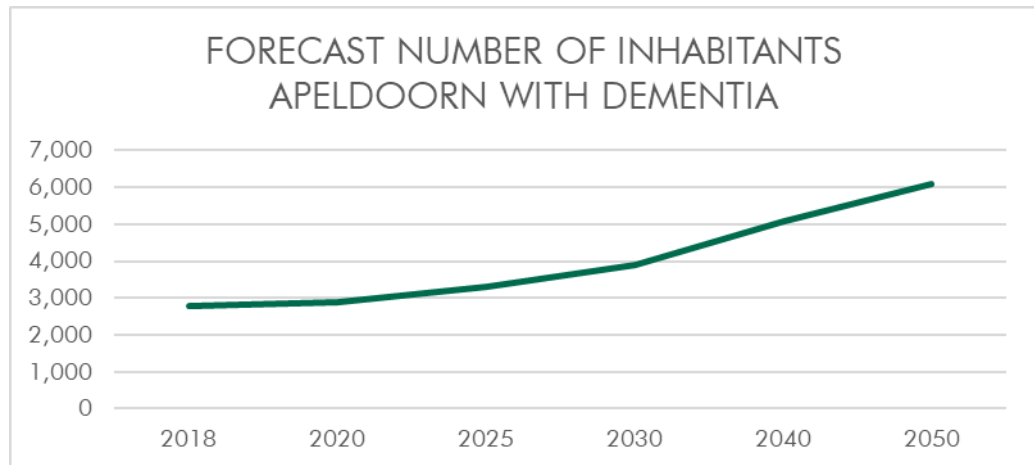
Increasing numbers of healthcare organisations are deciding to sell (extramural) real estate suitable for assisted living. This means that liquidity is released that can be invested in nursing homes. This reduces the real estate risks for the care providers so that they can continue to focus on providing good care over the long term. Increasingly, this type of real estate transaction is happening through close cooperation between healthcare organisations and investors. This cooperation is beneficial for all parties involved: residents, healthcare organisations and investors.

Within the intramural accommodation sector, changing forms of funding are leading to new care and real estate concepts. In 2018, the current payment structure changed and healthcare organisations will receive one integrated fee for providing care and accommodation.

The proportion of private nursing home locations has doubled to over 275 locations over the last four years. This market is expected to continue to grow rapidly in the coming years. Although in the past, private nursing home locations were mainly aimed at very high-income groups, care providers are now launching more and more initiatives aimed at private nursing homes for the middle segment of the market.



Source: CBRE Research



Source: CBRE Research

Rental Evidence

In order to determine the rental value of the subject property, we have used the two following approaches:

1. Comparison based on rental transactions of residential units;
2. Comparison based on the price per unit of comparable private nursing homes.

1. Comparison based on rental transactions of residential units;

The rental transactions below represent the best available data for comparison with the subject property. In our opinion, transactions of residential units are comparable with the apartments of the subject property. The comparables were chosen based upon their size, condition/quality, and location.

| Address | Analysis of rental transactions | Location | Property |
|--|--|----------|----------|
| Apeldoorn Hofdwardsstraat 7E  | <p>In June 2020 an apartment of 55 sq m in the city centre of Apeldoorn was let. The reported rent was € 850 (€15.45 per sq m per month). We are of the opinion the location is comparable to the subject property. Since both properties are older buildings in a good state of repair, we are of the opinion the quality is comparable as well.</p> | = | = |
| Apeldoorn Hofdwardsstraat 7A  | <p>In June 2020 an apartment of 49 sq m in the city centre of Apeldoorn was let. The reported rent was € 900 (€ 18.37 per sq m per month). We are of the opinion the location is comparable to the subject property. Since both properties are older buildings in a good state of repair, we are of the opinion the quality is comparable as well.</p> | = | = |
| Apeldoorn Koning Lodewijklaan 6C  | <p>In July 2020 an apartment located in a monumental property with a floor area of 53 sq m was let. The reported rental price was € 621 per month (€ 12.94 per sq m per month). We are of the opinion that the properties are good comparable, since it both concerns apartments in monumental properties with a similar building quality. However, we are of the opinion that the location of this reference is less, since it is located further from the city center.</p> | - | = |

Location is an opinion on the quality of the location of the comparable transaction in relation to the location of the subject property

Property is an opinion on the quality of the property of the comparable transaction in relation to the quality of the subject property

We have used residential rental transactions for the estimation of the rental value of this property. In our opinion, transactions of residential units are comparable with the apartments of the subject property, but lack the facilities of a professional healthcare operator. The selected residential rental transactions show a bandwidth between € 12.94 and € 18.37 per sq m per month.

2. Comparison based on the price per unit of comparable private nursing homes.

We have also compared other, comparable, healthcare living concepts to the subject property. In our opinion, this is a good method to determine the rental value and these are provided below.

| Address | Analysis of rental transactions | Location | Property |
|---|---|----------|----------|
| Heemstede Van Merlenlaan 2 Villa Meerlhorst  | <p>This reference comprises a private nursing home for the care of elderly, built in 2016. The property has a total lettable floor area of 1,070 sq m. This is divided over 17 units, of ca. 35 sq m, with their own sanitary facilities and general space (such as a common living room). The property is leased based on a masterlease with a triple-net condition - this means that all the costs are for the account of the tenant, except for the management costs. The total gross rental income amounts € 316,200 per annum, which results in € 1,550 per healthcare unit per month.</p> | + | = |
| Zeist Woudenbergseweg 7 Zonneburg Zeist  | <p>This reference comprises a private nursing home for the care of elderly. The property has a gross floor area of 1,341 sq m, divided over 22 apartments. The property was built in 1960. The total gross rental income amounts € 280,000 per annum, which results in € 1,061 per healthcare unit per month.</p> | - | - |
| Oegstgeest Prins Hendriklaan 2 Villa Oranjepark  | <p>This reference comprises a private nursing home for the care of elderly, built in 2007. The property has a total gross floor area of 942 sq m, divided over 14 units. The total gross rental income amounts € 184,800 per annum, which results in € 1,100 per healthcare unit per month. The property is leased based on a triple-net lease.</p> | + | = |

Location is an opinion on the quality of the location of the comparable transaction in relation to the location of the subject property

Property is an opinion on the quality of the property of the comparable transaction in relation to the quality of the subject property

Based on the abovementioned references, the location and quality of the subject property and our knowledge of the healthcare market, we have estimated the rental value as follows:

Healthcare unit: € 1,300 per apartment per month

The total rental value amounts € 312,000 per annum. We are of the opinion this property is let at market rates. The annual rental income amounts € 318.753 (approx. € 1,325 per apartment per month).

Investment Market Commentary and Yield Evidence

Investment volume

In the first half of 2020, investors acquired healthcare real estate worth approximately € 375 million. This represents a decrease of approximately 33% compared to H1 of 2019. This fall is mainly due to the coronavirus outbreak, which has meant that transactions have been delayed or objects have not (yet) been put on the market.

After reaching a record-high investment volume of € 1.0 billion in 2019, the outlook for the 2020 healthcare market was very positive. However, due to the Corona crisis, healthcare investments came to a near standstill at the end of the first quarter. Many transactions are currently on hold because of the COVID-19 measures for client safety, but also due to the uncertainty regarding the short-term course of the crisis. Development projects have also been halted and some have been postponed.

The total healthcare investment volume in the first quarter of 2020 totaled € 117.0 million, a decrease of 44.1% compared with the € 209.2 million of Q1 2019. The average volume per transaction was € 6.2 million during the first three months of 2020, 14.6% lower than in the same period last year. The highest volumes were invested in South-Holland (43.8%), North-Brabant (23.5%) and Gelderland (20.5%). Of the total number of transactions, 42.1% was in traditional nursing homes and 36.8% was in first-line healthcare locations. The figures below show the investment volume and prime yields for the past six quarters.

It is possible that the current crisis will negatively impact the investment volume as well as the yields. However, it is not possible to quantify this impact, given the uncertainty of the current situation. Yet, there is still a high demand for healthcare real estate due to the aging of the population.

Development of net yields

The percentages below represent the 'lowest' prime net initial yields (costs payable by seller) in the first half of 2020. This is based on 15-year market-based lease agreement(s) with solvent tenant(s), in a new building in an advantageous location that is entirely dedicated to the healthcare operations in question.

| | Prime yield 2019 H2 | Prime yield 2020 H1 |
|---|---------------------|---------------------|
| CURE - Primary health care centres (medical office) | 5.15% | 5.25% |
| CURE - Secondary health care centres (clinics) | 5.60% | 5.75% |
| CARE - Public nursing homes | 4.65% | 4.75% |
| CARE - Assisted living | 3.75% | 3.80% |
| CARE - Private nursing homes | 4.90% | 5.00% |

Source: CBRE Research

Yield Evidence

Address

Analysis of investment transactions

Bergen op Zoom

Veilingdreef 6

"Residentie Moermont"



In July 2020 the healthcare property at Veilingdreef in Bergen op Zoom was sold. The reference property is a nursing home for the care of elderly and was built in 2010. The property has a total gross floor area of 16,652 sq m. This is divided over 224 units, with their own sanitary facilities and general space (such as a common living room).

The property was sold for € 43,500,000 and was fully let to a healthcare operator (Stichting Tante Louise), based on a double-net lease agreement. The total gross rental income amounts € 2,200,000 per annum, which results in € 818 per apartment per month. The remaining lease term is 14 years. The gross initial yield k.k. on rental income is 5.06% and the gross initial yield v.o.n. is approximately 4.77%. We have not been provided with the annual net rental income and therefore we do not know the net initial yield (v.o.n.).

We are of the opinion the subject property is located at a better location and we are also of the opinion the overall quality of the subject is superior compared to this reference.

| Location | Property | Tenant | Market |
|----------|----------|--------|--------|
| - | - | = | = |

| Address | Analysis of investment transactions |
|---------|-------------------------------------|
|---------|-------------------------------------|

Oegstgeest**Endegeesterlaan 4****“Het Witte Huis”**

In May 2020 Care Property acquired “Het Witte Huis”. The reference property is private nursing home for the care of elderly, built in 2011. The property has a total lettable floor area of 1,453 sq m. This is divided over 25 units, with their own sanitary facilities and general space (such as a common living room). The overall quality of the subject property is very good.

The property was sold for € 9,396,200 and was fully let to a healthcare operator (i.e. Valuas). The total gross rental income amounts € 465,000 per annum, which results in € 1,550 per healthcare unit per month based on a triple-net lease agreement. The remaining lease term is 20 years. The gross initial yield k.k. on rental income is 4.95% and the gross initial yield v.o.n. is approximately 4.63%. The net initial yield (v.o.n.) is approximately 4.56%.

We are of the opinion this reference is located at comparable location. We are also of the opinion the quality of this reference is comparable to the subject property, since it both concerns properties in a good state of repair in an older building. We consider the tenant to be comparable.

| Location | Property | Tenant | Market |
|----------|----------|--------|--------|
| + | = | = | = |

Tilburg**Dokter Bloemenlaan 9****“De Leyhoeve”**

In October 2019 the healthcare property at Dokter Bloemenlaan 9 in Tilburg was sold. The reference property is a nursing home for the care of elderly. The property has a total of 285 units. The property was built in 2016.

The property was sold for € 84,700,000 and was fully let to a healthcare operator (i.e. Leyhoeve). The total gross rental income amounts € 4,150,300, which results in € 1,214 per unit per month. The remaining lease term is 25 years. The gross initial yield k.k. on rental income is 4.90% and the gross initial yield v.o.n. is approximately 4.58%. Because the lease agreement is a triple-net agreement, the net initial yield (v.o.n.) is comparable to the gross initial yield (v.o.n.).

We are of the opinion this reference is located at a comparable location, but has a better quality compared to the subject property.

| Location | Property | Tenant | Market |
|----------|----------|--------|--------|
| = | + | = | + |

Location is an opinion on the quality of the location of the comparable transaction in relation to the location of the subject property

Property is an opinion on the quality of the property of the comparable transaction in relation to the quality of the subject property

Tenant is an opinion on the quality of the tenant (mix) of the comparable transaction in relation to the tenant (mix) of the subject property

Market is the general market movement since the comparable transaction

Opinion of Valuation Yields

The subject property can be compared to the investment references that have an estimated gross initial yield (k.k.) ranging from 4.90% to 5.06%. We have been informed by the client the transfer tax for the acquisition of this property will be 2% (and not 6%). We have received a court ruling about this and we have included this in our valuation. Because of this transfer tax of 2%, we are of the opinion it is best to compare the “v.o.n.” yields of the comparable transactions to the “v.o.n.” yields of the subject property. The gross initial yield v.o.n. of the comparables varies between approximately 4.58% and 4.77%. The net initial yield of the reference property in Oegstgeest is approximately 4.56%.

The subject property is let with a remaining lease term of 10.2 years on a triple-net basis. Both the references in Oegstgeest and Tilburg are based on a triple-net rental agreement as well and therefore the gross rental income and the net rental income are more or less the same. The only difference between the gross rental income and the net rental income are the management costs and the (possible) VAT loss. This means the gross initial yield (v.o.n.) and the net initial yield (v.o.n.) are almost equal as well.

In this valuation, we have taken into account that despite the coronavirus, the healthcare investment market remains stable. Furthermore, this type of healthcare product seems to be scarce, as we don't see a lot of comparable transactions in the last couple of months (most comparable transactions are from a few months ago).

Based on the above, the quality of the subject property, the location and the remaining lease term, we have estimated a gross initial yield (v.o.n.) of 4.66% and a net initial yield (v.o.n.) is 4.62%. These yields correspond to a market value of € 6,635,000.

Portfolio sale

The subject property is part of a portfolio sale. This portfolio consists of five private nursing homes in The Netherlands (Arnhem, Apeldoorn (2x), Doorn and Cothen), all let to Stepping Stones Home & Care Zorg B.V. with an average remaining lease term of 10.2 years. The net initial yields for this portfolio vary between 4.56% and 4.92%, with an average net initial yield of 4.69%.

We have compared the subject portfolio to the sale of the “Valuas Portfolio”, a portfolio of four private nursing homes in The Netherlands (Boarnsterhim, Oegstgeest (2x) and Heemstede) let to Valuas, which we consider to be a comparable healthcare operator. The reference in Oegstgeest was part of the Valuas Portfolio sale. The portfolio was sold in May 2020 with an average remaining lease term of 20 years. The net initial yield for the four properties vary between 4.56% and 5.42%, with an average net initial yield of 4.82%.

We have adopted a lower average net initial yield for the subject portfolio, however the net initial yield for the subject property is within the mentioned bandwidth of the Valuas Portfolio.

VALUATION CONSIDERATIONS

Income Summary and Analysis of Passing Rent

The annual rental income for the 20 apartments amounts to € 318,753. The total gross rental value amounts to € 312,000 per annum. We believe the remaining rental period of 10.2 years can be considered reasonable (compared to transactions of prime (private) nursing homes, which often have a remaining lease term of approximately 20 years).

Tenant Covenant Strength

At valuation date, the property is let to Senior Living B.V. by means of a masterlease contract. Senior Living B.V. is part of Korian SA, a French listed multinational healthcare provider. The healthcare operator is Stepping Stones Home & Care B.V. Stepping Stones Home & Care B.V. was acquired in April 2019 by Korian SA. As of January 2021, there will be a name change to "Korian Zorg B.V." The property comprises 20 apartments, which are leased individually to senior residents with alzheimer's dementia or problems with amnesia.

As of the valuation date, the remaining lease term amounts to 10.2 years. An in-depth analysis of the tenant falls out of the scope of this report. We have assumed that the property investment market would be of the opinion that the tenant provides good financial security.

Void Periods and Re-Lettability

If the property would be vacant as of today, we would consider the lettability to be reasonably good. The property is located in a residential area in the northwest of Apeldoorn. The demand for private healthcare apartments with facilities can be considered as good. If the property would be vacant and offered for rent as of the valuation date, we would expect a rental period of approximately 3 to 6 months.

Marketability and Potential Purchasers

The subject property is situated in Gelderland. We expect that there will be reasonable interest from potential investors given the growing demand for private nursing homes. We believe the most probable interest will be from (inter)national institutional investors and that it will take 6 to 9 months to find a willing buyer.

OPINION OF VALUE

Market Value

Upon the assumption that there are no onerous restrictions or unusual outgoings of which we have no knowledge and the specific comments and assumptions which are set out in this valuation statement, we are of the opinion that the total market value of the respective freehold interest in the subject property, as at 8 September 2020, is (rounded):

€ 6,635,000 (six million four hundred fifteen thousand euros)

Comment

- With the above Market Value the purchaser should allow for additional purchasers' costs, including transfer tax, broker and legal fees. The above value is exclusive of VAT, if applicable.

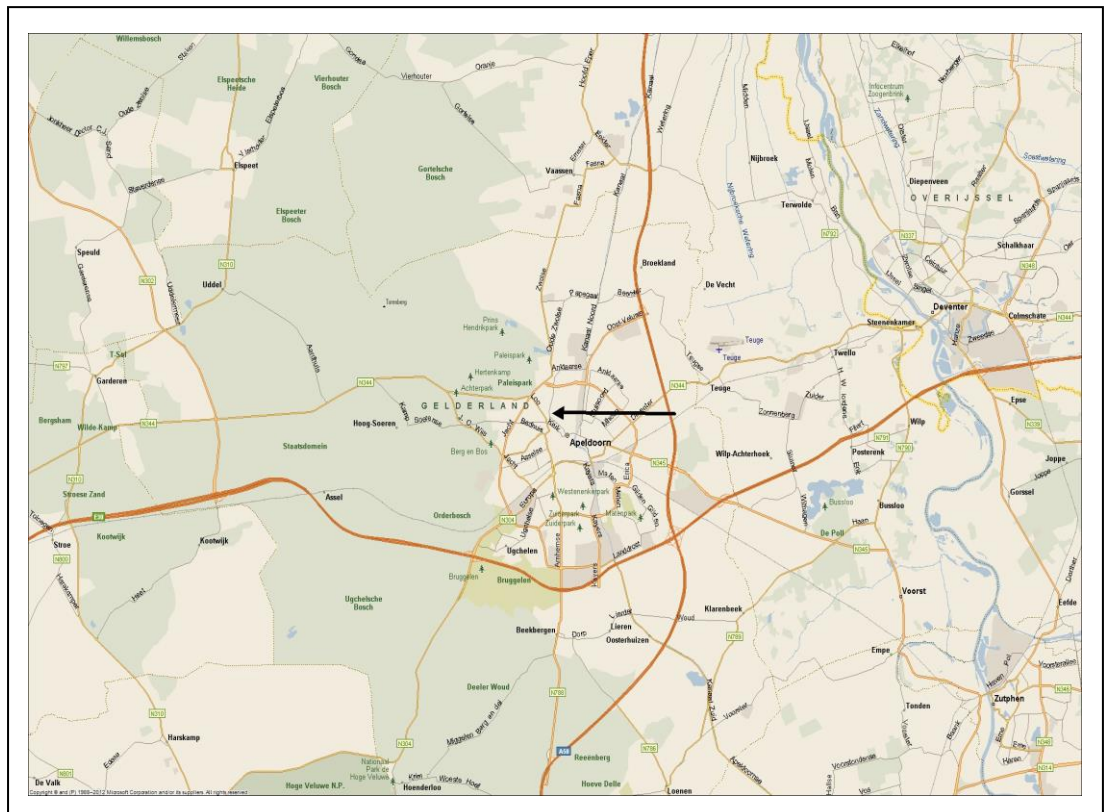
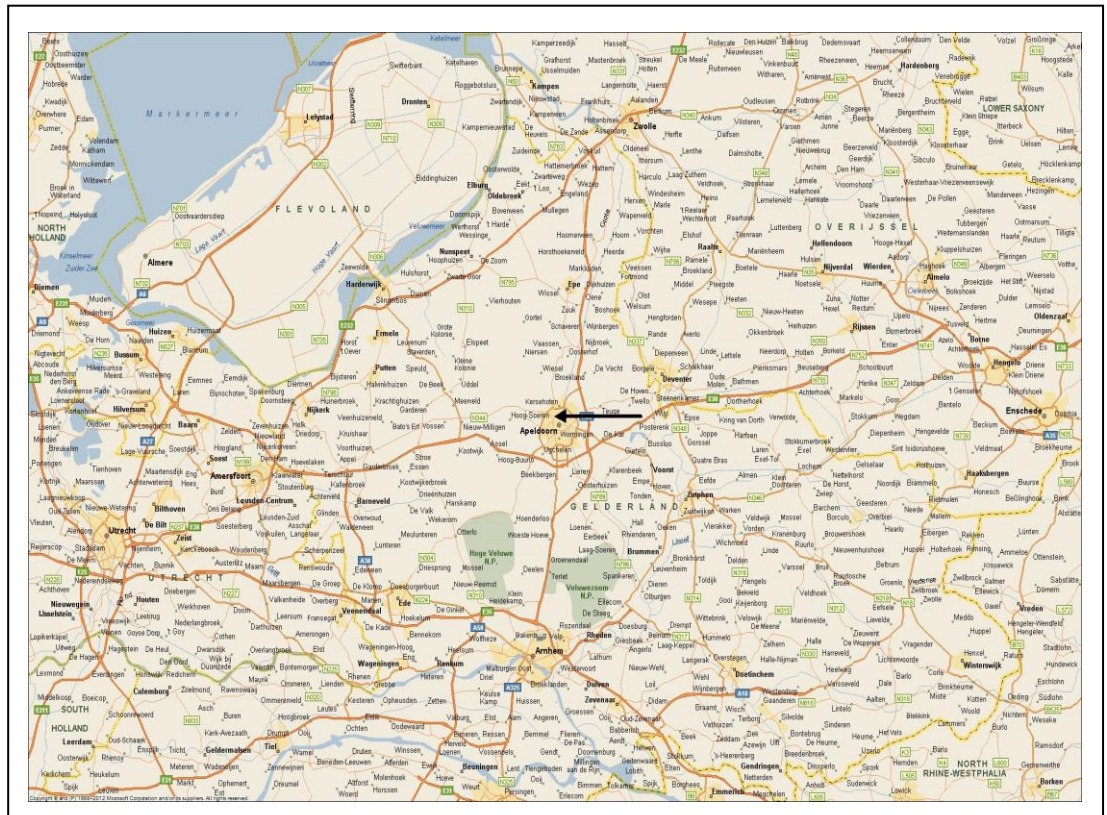
We have been informed by the client the stamp duty for the acquisition of this property will be 2% (and not 6%) and have received the court ruling. We have included this in our valuation. Allowing for purchaser's costs of 3.00%, our opinion of Market Value reflects the following yield profile:

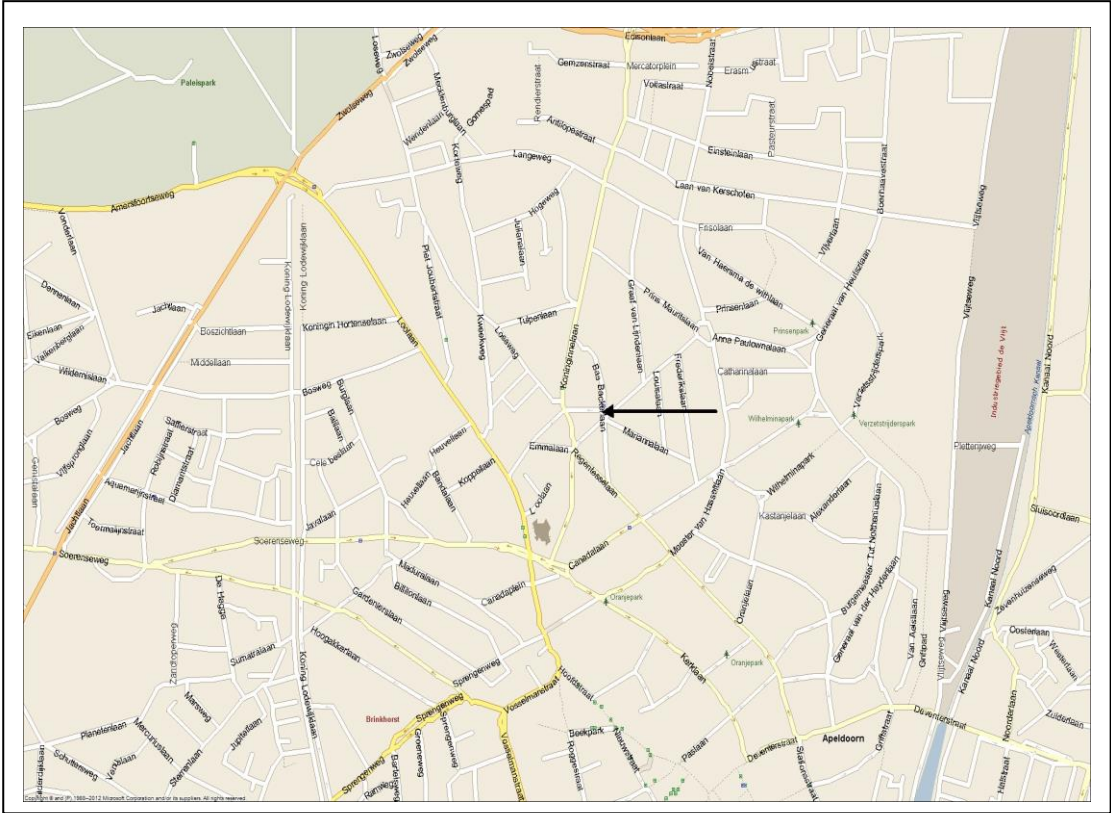
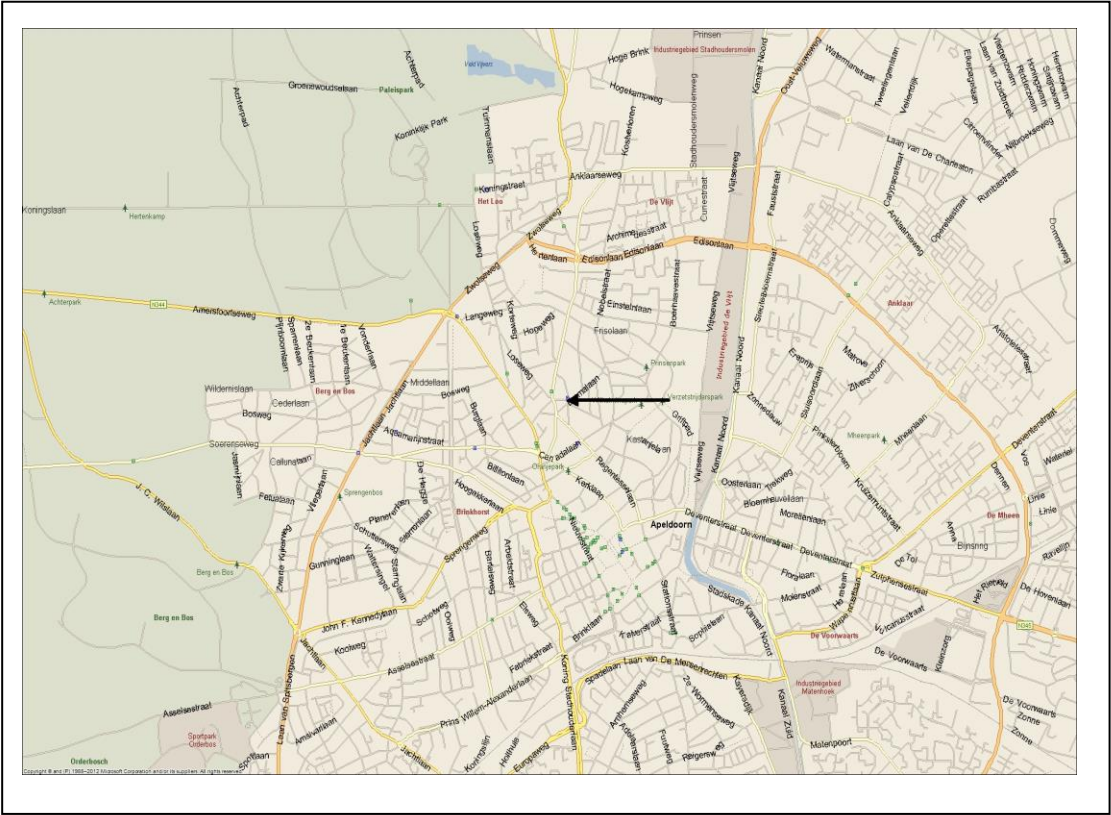
| | |
|------------------------------|--------|
| Net Initial Yield | 4.62% |
| Gross Initial Yield (v.o.n.) | 4.66% |
| Gross Initial Yield (k.k.) | 4.80% |
| Gross Multiplier | 20.82x |

A

LOCATION PLANS

LOCATION PLANS



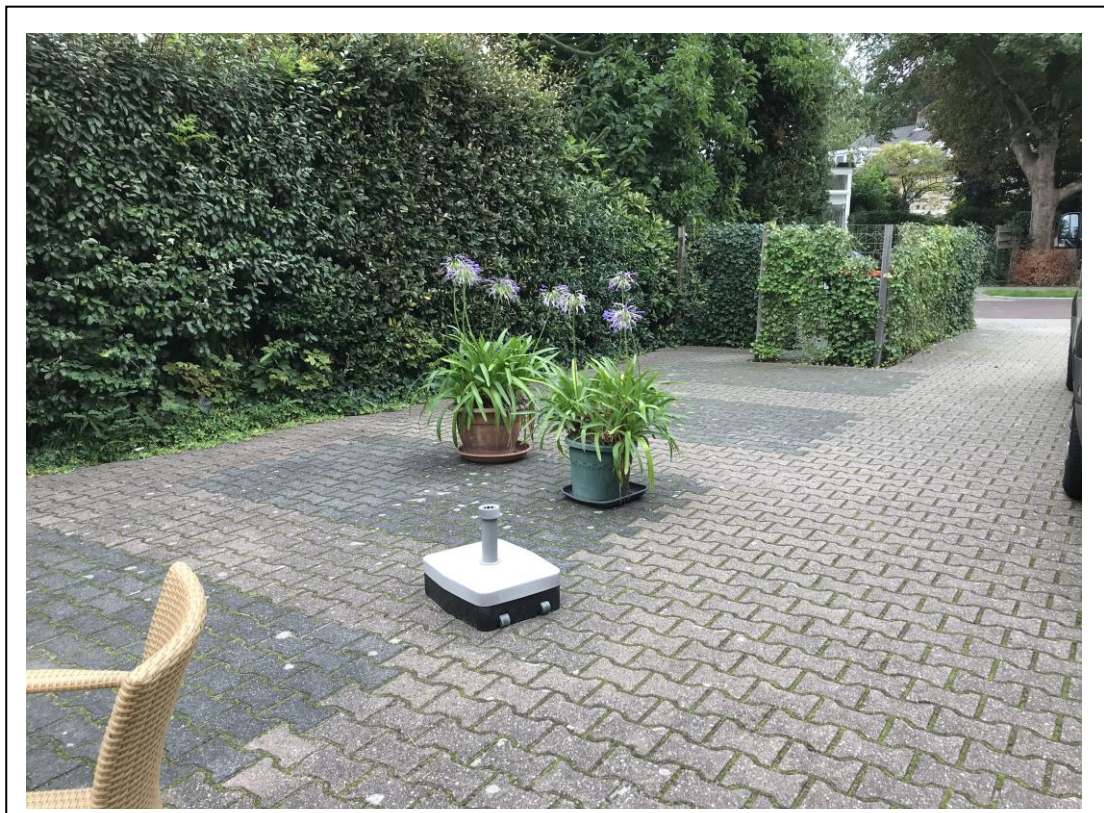
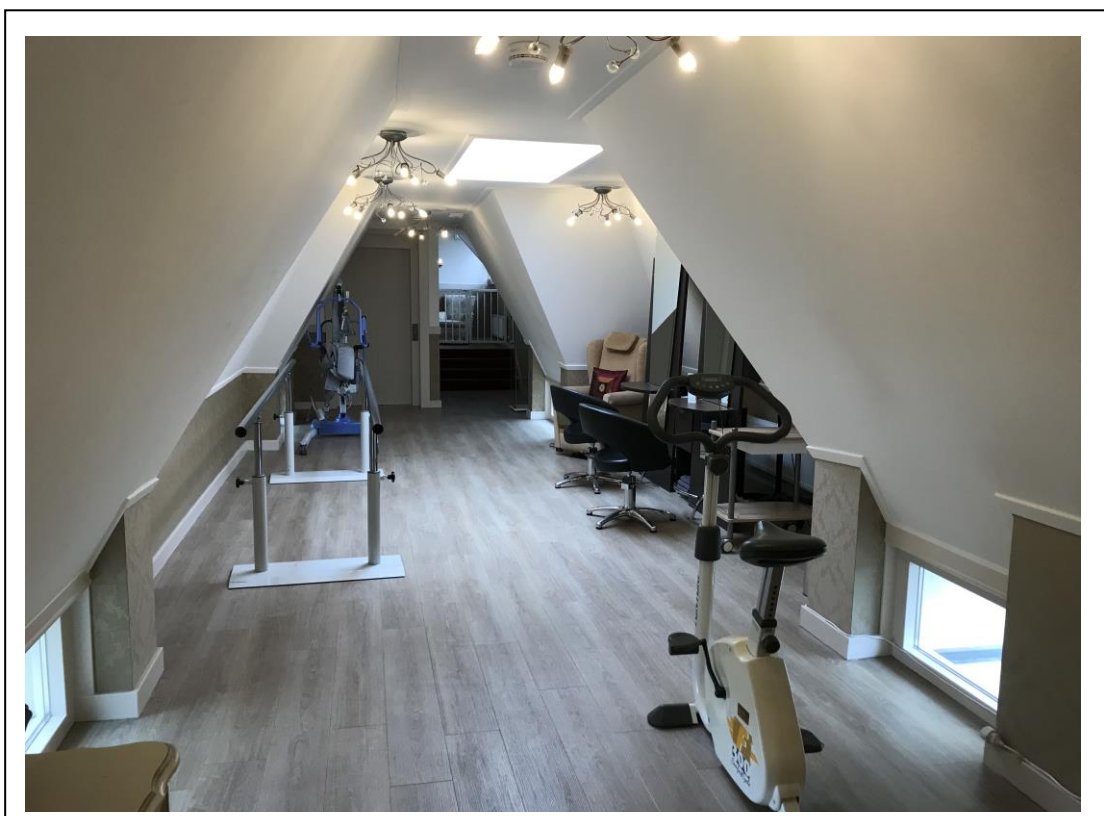


B

PHOTOGRAPHS

PHOTOGRAPHS





C

LAND REGISTRY



BETREFT

Apeldoorn H 8474

UW REFERENTIE

nst

GELEVERD OP

11-09-2020 - 09:37

PRODUCTIEORDERNUMMER

S11074085751

VOLLEDIG GESIGNALEERD T/M

10-09-2020 - 14:59

VOLLEDIG BIJGEWERKT T/M

10-09-2020 - 14:59

BLAD

1 van 2

Eigendomsinformatie

ALGEMEEN

Kadastrale aanduiding [Apeldoorn H 8474](#)

Kadastrale objectidentificatie : 076270847470000

Locatie Bas Backerlaan 12
7316 DZ Apeldoorn

Locatiegegevens zijn ontleend aan de Basisregistratie Adressen en Gebouwen

Kadastrale grootte 525 m²**Grens en grootte** Vastgesteld**Coördinaten** 194009 - 470703**Omschrijving** Wonen**Koopsom** € 3.946.524**Koopjaar** 2015

Met meer onroerend goed verkregen

AANTEKENINGEN

Publiekrechtelijke beperking Er zijn geen beperkingen bekend in de Basisregistratie Kadaster.**Basisregistratie Kadaster****Publiekrechtelijke beperking** Er zijn geen beperkingen bekend in de Landelijke Voorziening WKP.B.**Landelijke Voorziening**

RECHTEN

1 Eigendom (recht van)

Aandeel 1/2**Afkomstig uit stuk** [Hyp4 67297/83](#)**Ingeschreven op** 02-12-2015 om 09:00**Naam gerechtigde** [De heer Petrus Hubertus Carolus Josephus van Doorne](#)**Adres** Herdersweg 22
1251 ER LAREN NH**Geboren** 13-03-1965**te** GELDROP

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen

Burgerlijke staat Gehuwd (ten tijde van verkrijging)**Betrokken persoon** [Mevrouw Cecile Alexandra Hart Nibbrig](#) (ten tijde van verkrijging)

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen

1 Eigendom (recht van)

Aandeel 1/2



BETREFT

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10-09-2020 - 14:59

BLAD

2 van 2

Afkomstig uit stuk [Hyp4 67297/83](#)

Ingeschreven op 02-12-2015 om 09:00

Naam gerechtigde [Mevrouw Carolina Maria Gabrielle van Doorne](#)

Adres Joelaan 1
1217 GG HILVERSUM

Geboren 21-12-1966

te GELDROP

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen

Burgerlijke staat Gehuwd (ten tijde van verkrijging)

Betrokken persoon [De heer Eric-Jan Huijskes](#) (ten tijde van verkrijging)

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen



BETREFT

Apeldoorn H 9596

UW REFERENTIE

nst

GELEVERD OP

11-09-2020 - 09:43

PRODUCTIEORDERNUMMER

S11074086875

VOLLEDIG GESIGNALEERD T/M

10-09-2020 - 14:59

VOLLEDIG BIJGEWERKT T/M

10-09-2020 - 14:59

BLAD

1 van 2

Eigendomsinformatie

ALGEMEEN

Kadastrale aanduiding [Apeldoorn H 9596](#)

Kadastrale objectidentificatie : 076270959670000

Locatie B BACKERLN 14
7316 DZ APELDOORN**Kadastrale grootte** 817 m²**Grens en grootte** Vastgesteld**Coördinaten** 194009 - 470719**Omschrijving** Wonen**Koopsom** € 3.945.524**Koopjaar** 2015

Met meer onroerend goed verkregen

AANTEKENINGEN

Publiekrechtelijke beperking Er zijn geen beperkingen bekend in de Basisregistratie Kadaster.**Basisregistratie Kadaster****Publiekrechtelijke beperking** Er zijn geen beperkingen bekend in de Landelijke Voorziening WKPB.**Landelijke Voorziening**

RECHTEN

1 Eigendom (recht van)

Aandeel 1/2**Afkomstig uit stuk** [Hyp4 67297/83](#)**Ingeschreven op** 02-12-2015 om 09:00**Naam gerechtigde** [De heer Petrus Hubertus Carolus Josephus van Doorne](#)**Adres** Herdersweg 22
1251 ER LAREN NH**Geboren** 13-03-1965**te** GELDROP

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen

Burgerlijke staat Gehuwd (ten tijde van verkrijging)**Betrokken persoon** [Mevrouw Cecile Alexandra Hart Nibbrig](#) (ten tijde van verkrijging)

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen

1 Eigendom (recht van)

Aandeel 1/2**Afkomstig uit stuk** [Hyp4 67297/83](#)**Ingeschreven op** 02-12-2015 om 09:00



BETREFT

Apeldoorn H 9596

UW REFERENTIE

nst

GELEVERD OP

11-09-2020 - 09:43

PRODUCTIEORDERNUMMER

S11074086875

VOLLEDIG GESIGNALEERD T/M

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VOLLEDIG BIJGEWERKT T/M

10-09-2020 - 14:59

BLAD

2 van 2

Naam gerechtigde [Mevrouw Carolina Maria Gabrielle van Doorne](#)

Adres Joelaan 1
1217 GG HILVERSUM

Geboren 21-12-1966 **te** GELDROP

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen

Burgerlijke staat Gehuwd (ten tijde van verkrijging)

Betrokken persoon [De heer Eric-Jan Huijskes](#) (ten tijde van verkrijging)

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen



12345

25

Deze kaart is noordgericht

Perceelnummer

Huisnummer

Vastgestelde kadastrale grens

Voorlopige kadastrale grens

Administratieve kadastrale grens

Bebouwing


Schaal 1: 500

Kadastrale gemeente Apeldoorn

Sectie H

Perceel 8474

kadaster



Voor een eensluitend uittreksel, geleverd op 11 september 2020

De bewaarder van het kadaster en de openbare registers

Aan dit uittreksel kunnen geen betrouwbare maten worden ontleend.

De Dienst voor het kadaster en de openbare registers behoudt zich de intellectuele eigendomsrechten voor, waaronder het auteursrecht en het databankenrecht.

D

**VALUATION
METHODOLOGY**

VALUATION METHODOLOGY

CBRE Valuation & Advisory Services B.V. values real estate using the income capitalisation approach. Within this approach CBRE utilises the Hard core/Top Slice/Reversion method (“main method”) of capitalizing net income. CBRE capitalises the most secure income (“hard core”) but also capitalises any over rent (“top slice”) or future upside potential (“reversion”). This is an internationally accepted valuation method with a strong resemblance to the general Dutch approach of valuation on gross initial or net initial yield. The net income stream for each tenant is subdivided based on perceived risk. Different yields are applied, to capitalise the identified income streams:

- Hard core yield: this yield is applied to capitalize the believed most secure, certain net income stream and is applied in perpetuity. The believed most secure income stream is either the estimated net rental value or the estimated net rental income, whichever is the lower.
- Top Slice yield: when a lease agreement is over-rented (i.e. the rental income received is higher than the estimated rental value) the net present value of the over-rent situation (current rental income minus estimated rental value) is calculated using the Top Slice yield for the length of the remaining lease term.
- Reversion yield: if a lease agreement is under-rented (the rental income from the tenant is below the estimated rental value), then the potential future rental income increase that might occur after expiry of the lease is capitalised using the Reversion yield. Consequently, the present value of the future value is calculated using the Layer yield.

To arrive at the gross value of a property, the different capitalised incomes are added up. Then, the (net) present value of expenditures (i.e. investments in building installations, rent free incentives, break penalties, et cetera or any one-off income) is calculated and added to the gross value to arrive at the market value before acquisition costs. To arrive at Market Value transfer tax and acquisition costs are deducted.

In the Hard core/Top Slice/Reversion method, important input parameters for the valuer are the market rental value and the yields. These are assessed based on comparable transactions. Further, the current tenancy situation and rental income are based on received lease agreements and (if applicable) a recent tenancy schedule. The annual non-recoverable items are also an important input parameter. To assess these, the valuer uses information received from the landlord, information available from municipalities (i.e. tax rates) and index booklets.

CBRE Valuation Advisory is of the opinion that in most situations involving investment property the Hard core/Top Slice/Reversion method is the best approach for assessing Market Value. Calculations using the Hard core/Top Slice/Reversion method provide good insight in the rental values assessed, the landlord’s annual non-recoverable items and corrections on property as well as tenant level. The method is easily comparable to market transactions.

Different yields can be adopted pertinent which gives a more accurate reflection of incomes. In the Dutch market, the Gross Initial Yield (GIY) or the Net Initial Yield (NIY) numbers are generally published on transactions and can be compared and used easily to identify and support the yield adopted for the subject valuation.

Optionally, as a second valuation method the Discounted Cash Flow method (DCF method) is used. In this approach the expected future cash flows (rental income, annual non-recoverables, other costs and/or investments in building installations, rent free incentives, break penalties, et cetera) and also expected future voids are presented in a cash flow model. In most cases such a model runs for a period of ten to fifteen years. At the end of the modelling period an 'exit value' is calculated (usually by capitalising the prognosticated rental value or rental income at an assessed exit yield). All cash flows and the exit value are discounted to the valuation date and add up to the net value before acquisition costs. To arrive at Market Value transfer tax and acquisition costs are deducted.

For the DCF method, important input parameters are the discount rate, inflation/cost increase expectation, the anticipated future re-lettability and the assessment of the exit yield. The DCF approach gives excellent insight to all costs and income streams and so is very transparent. However, input parameters are often not published for investment transactions and therefore difficult to sense check in the market. Also, investors tend to have a wide range of differing parameters therefore we consider the comparability of the input parameters of DCF calculations to be more uncertain.

In conclusion, CBRE therefore usually adopts the rent capitalisation approach as its main valuation method, with the DCF used as a second, sense check calculation. Nevertheless, in some circumstances and certain types of property CBRE will give preference to the DCF method.

In certain instances, the subject property is valued using the comparison approach. With this approach comparable transactions and/or listings are researched and calculated back to one indicator, generally the price per sq m. Consequently, the comparable transactions are analysed and amended to improve the comparability to the subject property. The comparison approach holds a strong relation with the market as market transactions are directly compared to the subject property. The comparison method is mainly used for the valuation of vacant / owner-occupied properties and undeveloped land.

E

**VALUATION
PRINTOUT**

Valuation output - summary

Bas Backerlaan 12-14, Apeldoorn



Valuation date: 8 September 2020

Print date: 9 October 2020



Valuation summary

| | | |
|-------------------------|--------------------|-----------|
| Gross valuation | € | 6,840,019 |
| Capital costs | € | -4,939 |
| Net value before fees | € | 6,835,080 |
| Acquisition costs | | |
| Stamp duty | 2.00% of Net Value | - 132,720 |
| Agent fee | 0.80% of Net Value | - 53,088 |
| Legal fees | 0.20% of Net Value | - 13,272 |
| Total acquisition costs | € | -199,080 |
| Net value | € | 6,636,000 |
| Market value (rounded) | € | 6,635,000 |

Rental situation

| | |
|--------------------------------------|-----------|
| Occupancy rate (based on ERV) | 100.00% |
| Weighted average lease length (WALL) | 10.23 |
| Gross rental income | € 318,753 |
| Annual non-recoverable costs | € 3,188 |
| Net rental income | € 315,565 |
| Gross rental value vacancy | € - |
| Potential gross income | € 318,753 |
| Gross rental value | € 311,999 |
| Net rental value | € 308,879 |

Yield profile

| | | |
|--|---------|-------|
| Net yields | | |
| Net intial yield | 4.62% | |
| Reversion yield | 4.43% | |
| Yields/multiplier on gross rental income | | |
| Net value before fees (v.o.n.) | 4.66% | 21.44 |
| Market value | 4.80% | 20.82 |
| Yields/multiplier on gross rental value | | |
| Net value before fees (v.o.n.) | 4.56% | 21.91 |
| Market value | 4.70% | 21.27 |
| Capital value / sq m | € 9,492 | |

Property

| | |
|--------------------------------|----------------------|
| Building name | Villa Astra |
| Address | Bas Backerlaan 12-14 |
| Town | Apeldoorn |
| Country | The Netherlands |
| Ref. no. | 0061Y00000sDheL |
| Primary use | Healthcare |
| Tenure | Freehold |
| Ground rent | - |
| Net lettable area (sq m) | 699.00 |
| Number of parking spaces/units | - |



Estimated rental values

| | |
|---------------|-----------------------|
| Description | € per sq m / per unit |
| Living & care | 446.35 |

Annual non recoverables

| | | |
|---------------|---------|------------------------|
| Maintenance | € - | 0.00% Of rental value |
| Management | € 3,188 | 1.02% Of rental value |
| Property tax | € - | 0.00% Of rental value |
| Water tax | € - | 0.00% Of rental value |
| Insurance | € - | 0.00% Of rental value |
| Sewage charge | € - | 0.00% Of rental value |
| Ground rent | € - | 0.00% Of rental value |
| Vat loss | € - | 0.00% Of rental value |
| Total cost | € 3,188 | 1.02% Of rental value |
| | | 1.00% Of rental income |

General comment

-

Disclaimer

- The calculation model is an inseparable part of the valuation report.
- In the case the calculation concerns an (indicative) draft, this implies a provisional determination of the value(s) of the property which is provided in anticipation of the final value(s) which are to be determined in the valuation report. No rights can be derived from the (indicative) draft model and the provisional value(s) stated therein. CBRE Valuation & Advisory Services B.V. reserves the right to adjust the (indicative) draft on the basis of changes that influence the value(s) of the property before proceeding to issue or making available the final valuation report, of which the calculation model forms part.

Valuation summary / tenancy schedule



Bas Backerlaan 12-14, Apeldoorn

Valuation date: 8 September 2020

Print date: 9 October 2020

| Tenant | Lease start | Break option | Lease expiry | RR date | Total area (sq m lfa) | Car parking spaces / units | Gross rental income (€) | Gross rental value (€) | Gross rental review value (€) | Vat applicable? | Hardcore (%) | Reversion (%) | Top slice (%) | Gross value (€) | Letting fees (€) |
|--------------------|-------------|--------------|--------------|---------|-----------------------|----------------------------|-------------------------|------------------------|-------------------------------|-----------------|--------------|---------------|---------------|-----------------|------------------|
| Senior Living B.V. | 01/12/2015 | None | 30/11/2030 | None | 699 | - | 318,753 | 311,999 | 311,999 | Yes | 4.55% | 6.55% | 5.05% | 6,840,019 | - |
| Total | | | | | 699 | - | 318,753 | 311,999 | 311,999 | | | | | 6,840,019 | - |

Bas Backerlaan 12-14, Apeldoorn

Valuation date: 8 September 2020
Print date: 9 October 2020

| Tenant | Unit | Description | Area (sq m) / parking spaces | ERV/sq m / parking space (€) | RRV/sq m / parking space (€) | % (ITZA) | Total unit ERV (€) | Total unit RRV (€) |
|--------------------|------|----------------|------------------------------|------------------------------|------------------------------|----------|--------------------|--------------------|
| Senior Living B.V. | | Care apartment | 595.00 | 446.35 | 446.35 | 100% | 265,578 | 265,578 |
| | | Common area | 104.00 | 446.35 | 446.35 | 100% | 46,420 | 46,420 |
| Tenant total | | | 699.00 | 446 | 446 | | 311,999 | 311,999 |

Capital corrections



Bas Backerlaan 12-14, Apeldoorn

Valuation date: 8 September 2020

Print date: 9 October 2020

| Tenant | Correction type | Cashflow (€) | Cashflow type | Annual index | Start date correction | End date correction | Total correction (€) | Discount rate | PV correction (€) |
|----------------------|------------------|--------------|---------------|--------------|-----------------------|---------------------|----------------------|---------------|-------------------|
| 1_Senior Living B.V. | VAT Compensation | 669 | Expenditure | 0.00% | 01/12/2015 | 30/11/2030 | -6,848 | 7.00% | -4,939 |