

APPENDIX 7: CBRE REPORT, 531-571 PARRAMATTA RD, LEICHHARDT (FIRST FLOOR SHOWROOM)

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CBRE VALUATION & ADVISORY SERVICES

Market Rental Assessment

Volkswagen Leichhardt

First Floor, 531-571 Parramatta Road, Leichhardt NSW 2040

15 October 2021

BDO Corporate Finance (East Coast) Pty Ltd

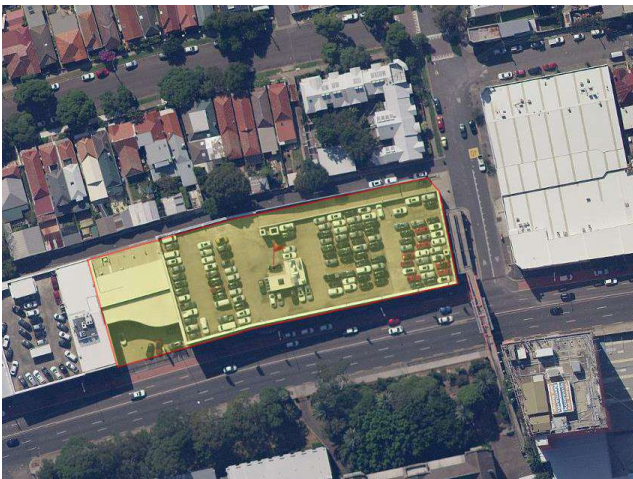
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TENANCY



Parramatta Road Frontage



Aerial Image (Source NSW Sixmaps)

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1 Market Rental Assessment Summary



INSTRUCTIONS/RELIANCE

Instructing Party	David McCourt, BDO Corporate Finance (East Coast) Pty Ltd Level 11, 1 Margaret Street, Sydney NSW 2000
Reliant Party/Purpose	BDO Corporate Finance (East Coast) Pty Ltd for market rental advisory purposes only.
Interest Valued	Market rental value of the Leased Premises (stated below) as at 15 October 2021.

PREMISES

Leased Premises	First Floor, 531-571 Parramatta Road, Leichhardt NSW 2040
Legal Description	Part of Lot 10 in Deposited Plan 1000651
Lessor	Autosports Properties Leichhardt Pty Limited
Lessee	Autosports Leichhardt Pty Ltd
Brief Description – Leased Premises	The subject tenancy comprises the ground floor of the parent building and provides showroom accommodation with automotive workshop to the rear. At the date of inspection this tenancy was being used as a Volkswagen Dealership.
Brief Description – Parent Building	The parent building comprises a circa 1990s (subsequently refurbished), two level showroom building situated on a slightly irregular shaped, sloping end allotment having frontages to Parramatta Road, Elswick Street and Easter Street. The parent building is configured to provide two levels of showroom/office/automotive workshop accommodation with rooftop parking. Net Lettable Area: 3,100 square metres Car Parking: Ample roof top parking provisions

MARKET RENTAL ASSESSMENT

Date of Assessment	15 October 2021
Date of Inspection	15 October 2021
MARKET RENTAL VALUE	\$218 semi gross per square metre \$675,537 semi gross per annum (Six Hundred and Seventy Five Thousand, Five Hundred and Thirty Seven Dollars) This assessment is exclusive of GST.
Valuer	 Thomas Webster AAPI Associate Director Valuation & Advisory Services Inspection – Yes
Co-Signatory**	 Mark Skeed Senior Director Valuation & Advisory Services Inspection – Yes

** The Co-Signing Director/Peer or Quality Assurance Reviewer confirms having reviewed the valuation methodology and calculations, however the opinion of value expressed has been arrived at by the Principal Valuer alone.

Conditional Terms	This summary must not be read independently of the rental assessment report in its entirety. This rental assessment is subject to all content, assumptions, disclaimers, qualifications and recommendations throughout the report. The report is prepared for the use of and reliance by the Reliant Party only and limited only to the Purpose specifically stated. No responsibility is accepted or assumed to any third party for the whole or any part of the report.
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Liability limited by a scheme approved under Professional Standards Legislation.

2 Reliance & Reporting

2.1 Reliance & Liability

Liability	▪ Liability limited by a scheme approved under Professional Standards Legislation.
Reliance	▪ This assessment is strictly and only for the use of the Reliant Party and for the Purpose specifically stated in the Instructions section.
Confidentiality	▪ This assessment is strictly confidential between CBRE and the Reliant Party.
Transmission	▪ Only an original report received by the Reliant Party directly from CBRE without any third party intervention can be relied upon.
Restricted	▪ No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this report.
Copyright	▪ Neither the whole nor any part of the content of this report may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.
Value Subject To Change	▪ This assessment is current as at the date of rental assessment only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movement or factors specific to the particular property). For the avoidance of doubt, this may include global financial crises or force majeure events. We do not accept liability for losses arising from such subsequent changes in value.
Reliance Period	▪ We do not assume any responsibility or accept any liability in circumstances where this rental assessment is relied upon after the expiration of 90 days from the date of report, or such earlier date if the Reliant Party becomes aware of any factors that have any effect on the assessment.
Disclosure	▪ CBRE must be advised in the event that the Reliant Party becomes aware of any changes relating to the information and advice provided by the Instructing/Reliant Party during the Reliance Period. This includes, without limitation, any changes to information and advice provided in relation to encumbrances, registered/unregistered interests, title, and land area/dimensions. In any such event, this assessment must not be relied upon without consulting CBRE first to reassess any effect on the rent.
Valuer's Interest	▪ We hereby certify that the Principal Valuer is suitably qualified and authorised to practise as a valuer; has at least 5 years of continuous experience in valuation; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper assessment of the property; and accepts instructions to value the property only from the Responsible Entity/Instructing Party.

2.2 Market Value Definitions

Market Rent Definition	▪ In accordance with the International Valuation Standard, the definition of market rent is as follows: "The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
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2.3 Critical Assumptions

Our assessment is subject to the following critical assumptions:

Floor Areas	▪ The floor areas adopted are based on measurements taken by CBRE. We have not been provided with lettable area survey reports. Lettable areas adopted herein have been derived from our onsite measurements taken at the date of inspection. We reserve the right to reconsider our findings in the event of a survey being completed in accordance with the Property Council of Australia's Method of Measurement, indicating differing areas from those adopted herein.
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Recoverable Outgoings

- We have not been provided with the current outgoings and therefore adopted an amount which we consider to be in line with market parameters given the location and use of the current improvements. Should the actual outgoings differ significantly then this report should be returned for comment and/or re-assessment.
- As per the lease document provided, the tenant is responsible for paying 100% of the council rates, water rates, land tax and building insurance. Given the parent building is shared between two tenants, we have apportioned the recoverable outgoings based on the total tenancy area as a proportion of the total parent building area. Should subsequent information be provided indicating differing amounts for the recoverable outgoings then this report should be returned for comment and/or re-assessment.

2.4 Recommendations

Lettable Areas

- We recommend that lettable areas be verified by a building survey prepared by a suitably qualified building surveyor. We reserve the right to reconsider our findings in the event of a survey being completed in accordance with the Property Council of Australia's Method of Measurement, indicating differing areas from those adopted herein.

3 Location

Locality

- The parent building is located in the suburb of Leichhardt, approximately 6.1 kilometres west of the Sydney CBD.
- The parent building is situated on the northern side of Parramatta Road, at its intersection with Elswick Street, and approximately 150 metres east of its intersection with National Street.

Surrounds

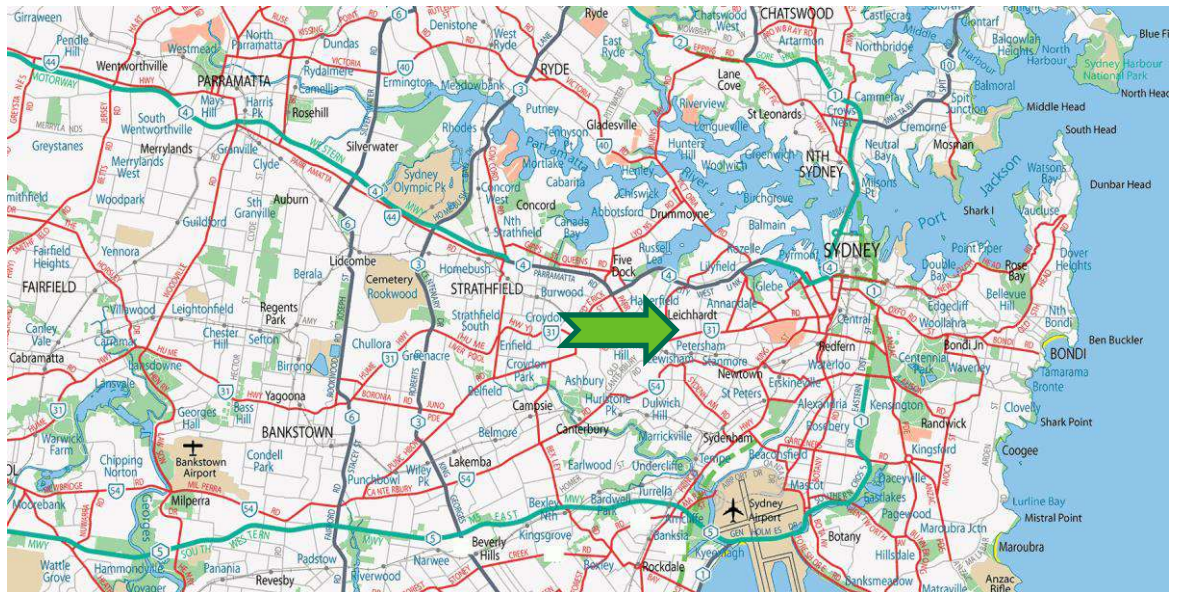
- Predominantly similar light industrial, showrooms and retail facilities interspersed along the northern side of Parramatta Road. An educational establishment, and retail showrooms are situated on the southern side of Parramatta Road, opposite the subject property.

Transport/Roads

- Lewisham Railway Station is situated approximately 1.4 kilometres by road south-west of the subject property.

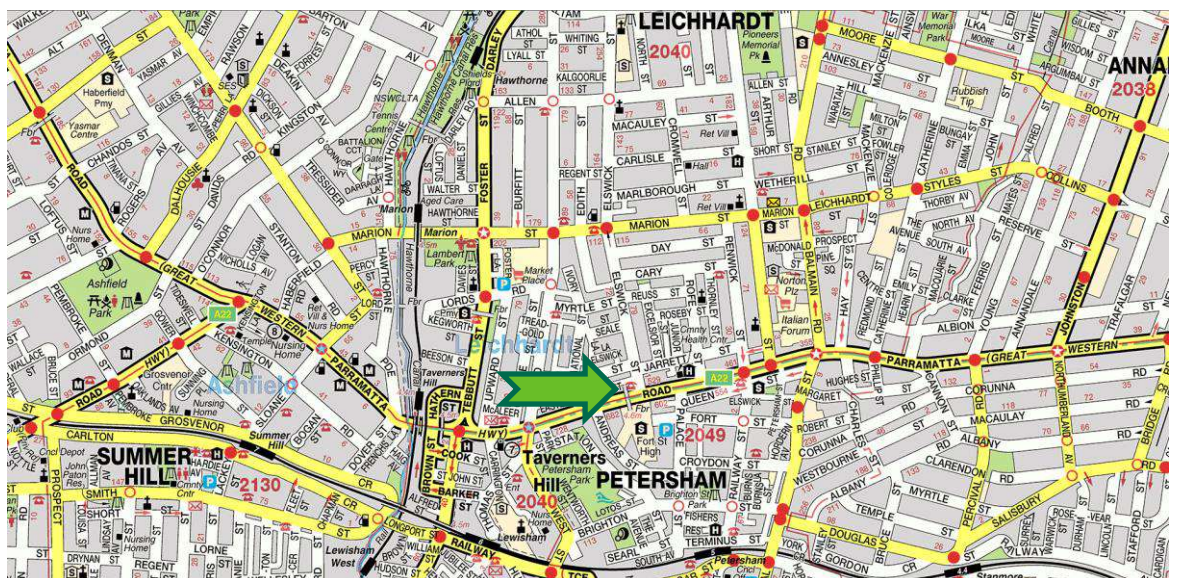
Regional Map

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Local Map

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4 Premises

4.1 Property Description

Overview

- The subject property comprises the first floor of a circa 1990s (subsequently refurbished), two level showroom building situated on a slightly irregular shaped, sloping end allotment having frontages to Parramatta Road, Elswick Street and Easter Street. The parent building is configured to provide two levels of showroom/office/automotive workshop accommodation with rooftop parking. The property also has an automotive workshop to the rear.

4.2 Leased Premises Description

Description – Leased Premises

- The subject tenancy comprises the first floor of the parent building and provides car showroom accommodation with automotive workshop to the rear. At the date of inspection this tenancy was being used as a Volkswagen Dealership.

Tenancy Position & Description

- First Floor/Upper Ground Level elevation
- Automated door entry from Parramatta Road to reception area
- Vehicle showroom accommodation to the southern alignment of the parent building (Parramatta Road) with vehicle workshop accommodation to the northern alignment of the parent building (Easter Street) with internal height clearance of 4-5 metres
- Car wash bays
- Central partitioned office accommodation and male/female/disabled toilet amenities
- Staff kitchenette/meals area

Access & Exposure

- Approximate 93 metre frontage to Parramatta Road.
- Vehicular access to the tenancy from Elswick Street, at the north eastern corner of the parent building
- Vehicular access to the rooftop parking from Elswick Street, at the north eastern corner of the parent building

Configuration & Internal Finishes

- The tenancy is slightly irregular in shape, nonetheless considered functional for its current vehicle showroom/vehicle repair workshop use.
- Finishes generally comprise a combination of tile/floating timber/polished concrete floors, plasterboard lined walls and suspended grid ceilings with both suspended and recessed lighting and ducted air conditioning.
- The premises presents to a high quality standard.



Parramatta Road Elevation



Elswick Street Elevation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Rooftop Parking Provisions

Lettable Area

- Based on the on-site measurements taken at the date of inspection, the subject tenancy has a total lettable area of 3,100 square metres.

Car Parking

- Ample roof top parking provisions.

4.3 Condition & Utility

Overview

- The subject tenancy provides relatively modern showroom accommodation having been constructed circa 1990s and has been subsequently refurbished. Accordingly, we consider the subject property to be in good condition having regard to its age and the purpose for which it is used. The property benefits from an extensive frontage to Parramatta Road providing elevated levels to passing vehicular traffic.

5 Current Lease Summary

5.1 Tenancy Schedule

TENANCY DETAILS			VALUATION DATE: 15 OCTOBER 2021				LEASE TERMS AND REVIEW INFORMATION				PASSING RENTALS					
Tenant	Level / Suite	Accom. Type	Lettable Area sqm	Lease Term (yrs)	Comm. Date	Expiry Date	Next Rent Review	Next Review Type	Remaining Term (yrs)	Net/ Gross	Base Rent Spa	\$psm	Outgoings Recovered Spa	\$psm	Gross Passing Rent Spa	\$psm
Autosports Leichhardt Pty Ltd	First Floor	Showroom	3,100.0	10.0	1-Jul-16	30-Jun-26	1-Jul-22	3.50%	4.7	Net	552,630	178	192,463	62	745,093	240
Total			3,100.0								552,630	178	192,463	62	745,093	240

5.2 Lease Overview

- Salient Lease Terms
- We have been provided with a copy of the current lease by the instructing party, the salient terms of which are detailed below:

Lease Summary

Lease Status	Copy of Executed Lease.
Premises	1 st Floor Showroom, 531-571 Parramatta Road, Leichhardt NSW 2040 (Part Folio Identifier 10/1000651)
Lessor	Autosports Properties Leichhardt Pty Limited
Lessee	Autosports Leichhardt Pty Ltd
Commencement Date	1 July 2016
Expiry Date	30 June 2026
Initial Term	10 years
Option Period/s	5+5 years
Lettable Area	Not stipulated within lease
Incentive	Expired 12 month rent free period from commencement (10%)
Commencement Rental	\$465,300 semi gross per annum (\$150 semi gross per square metre)
Passing Rental	\$552,630 semi gross per annum (\$178 semi gross per square metre)
Reviews	3.5% increases on each anniversary of the commencement date of the lease.
Outgoings	Lessee is responsible for 100% of the following outgoings: <ul style="list-style-type: none"> – Council rates – Land tax – Water rates – Building insurance
Permitted Use	Car showroom and vehicle repair workshop.
GST Clause	All payments made under the terms of the lease are exclusive of GST.
Make Good	The tenant to make good.
Market Rent Review Criteria	We note that Item 2 in the reference schedule does not indicate any Market Review Dates, with rent to be reviewed at each anniversary of the Commencing Date irrespective of whether it's during the term or the commencement of an option period.
Rent not to Decrease (Ratchet Clause)	Clause 2.5 stipulates that the Rent payable after the relevant Review Date must be equal to or more than the Rent payable immediately before that Review Date (disregarding any Rent abatement).

5.3 Outgoings

Outgoings

- We have not been provided with the current outgoings and therefore adopted an amount which we consider to be in line with market parameters given the location and use of the current improvements. Should the actual outgoings differ significantly then this report should be returned for comment and/or re-assessment.

Recoverable Outgoings

- As per the lease document provided, the tenant is responsible for paying 100% of the council rates, water rates, land tax and building insurance. Given the parent building is shared between two tenants, we have apportioned the recoverable outgoings based on the total tenancy area as a proportion of the total parent building area. Should subsequent information be provided indicating differing amounts for the recoverable outgoings then this report should be returned for comment and/or re-assessment.

OUTGOINGS SCHEDULE		
Valuation Date: 15 October 2021		
	Adopted (Budgeted) Year Ending 30-Jun-22	
	\$pa	\$psm pa
Municipal/Council Rates	40,899	13.19
Water and Sewerage Rates	1,745	0.56
Land Tax	139,399	44.97
Insurance Premiums	10,420	3.36
Total Recoverable Outgoings	192,463	62.08

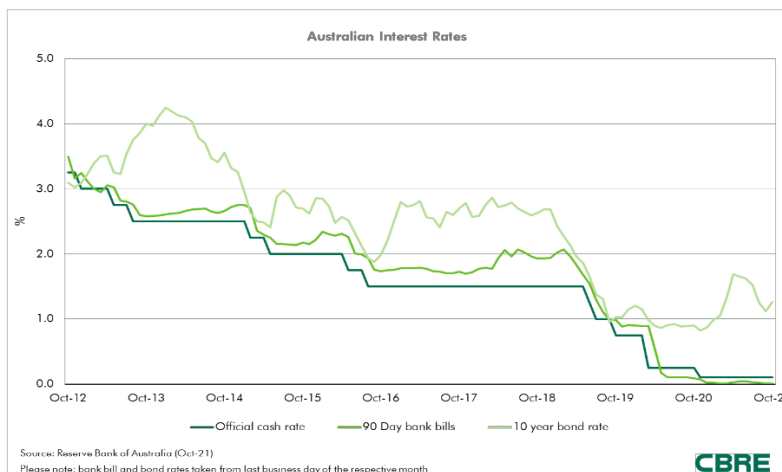
6 Market Commentary

6.1 Economic Overview

Australia

Source: Reserve Bank of Australia

- At its October meeting, the Reserve Bank of Australia's (RBA) Board decided to:
 - Maintain the cash rate target at 10 basis points and interest rate on Exchange Settlement balances at 0%.
 - Maintain the target of 10 basis points for the April 2024 Australian Government bond.
 - Continue to purchase government securities at the rate of \$4 billion a week until at least mid-February 2022.
- The Delta outbreak has interrupted the recovery of the Australian economy and GDP is expected to have declined materially in the September quarter. The outbreak is affecting many parts of the economy, but the impact is uneven, with some areas facing very difficult conditions while others are continuing to grow strongly.
- This setback to the economic expansion in Australia is expected to be only temporary. As vaccination rates increase further and restrictions are eased, the economy is expected to bounce back. Many businesses are now planning for the easing of restrictions and confidence has held up reasonably well. There is, however, uncertainty about the timing and pace of the bounce-back and it is likely to be slower than that earlier in the year. Much will depend on the nature and timing of the easing of restrictions on activity. In our central scenario, the economy will be growing again in the December quarter and is expected to be back around its pre-Delta path in the second half of next year.
- The restrictions on activity have had a significant effect on the labour market. Hours worked – the best indicator of labour market conditions at the moment – declined by nearly 4% in August. Looking forward, the RBA's business liaison and data on job vacancies suggest that many firms are seeking to hire workers ahead of the expected reopening in October and November.
- Wage and price pressures remain subdued in Australia. In underlying terms, inflation is running at around 1.75%; and wages, as measured by the Wage Price Index, are increasing at just 1.7%. While disruptions to global supply chains are affecting the prices of some goods, the impact of this on the overall rate of inflation remains limited.
- Housing prices are continuing to rise, although turnover in some markets has declined following the virus outbreak. Housing credit growth has picked up due to stronger demand for credit by both owner-occupiers and investors. The Council of Financial Regulators has been discussing the medium-term risks to macroeconomic stability of rapid credit growth at a time of historically low interest rates. In this environment, it is important that lending standards are maintained and that loan serviceability buffers are appropriate.
- The RBA's package of policies – including record low interest rates, the bond purchase program, the yield target and the funding provided under the Term Funding Facility – is providing substantial and ongoing support to the Australian economy. Borrowing rates are at record lows, sovereign bond yields are at very low levels and the exchange rate has depreciated over recent months. The fiscal responses by the Australian Government and the state and territory governments have also been providing welcome assistance in supporting household and business balance sheets.
- The RBA Board is committed to maintaining highly supportive monetary conditions to achieve a return to full employment in Australia and inflation consistent with the target. It will not increase the cash rate until actual inflation is sustainably within the 2% to 3% target range. The central scenario for the economy is that this condition will not be met before 2024. Meeting this condition will require the labour market to be tight enough to generate wages growth that is materially higher than it is currently.



6.2 Motor Vehicle Market

Overview

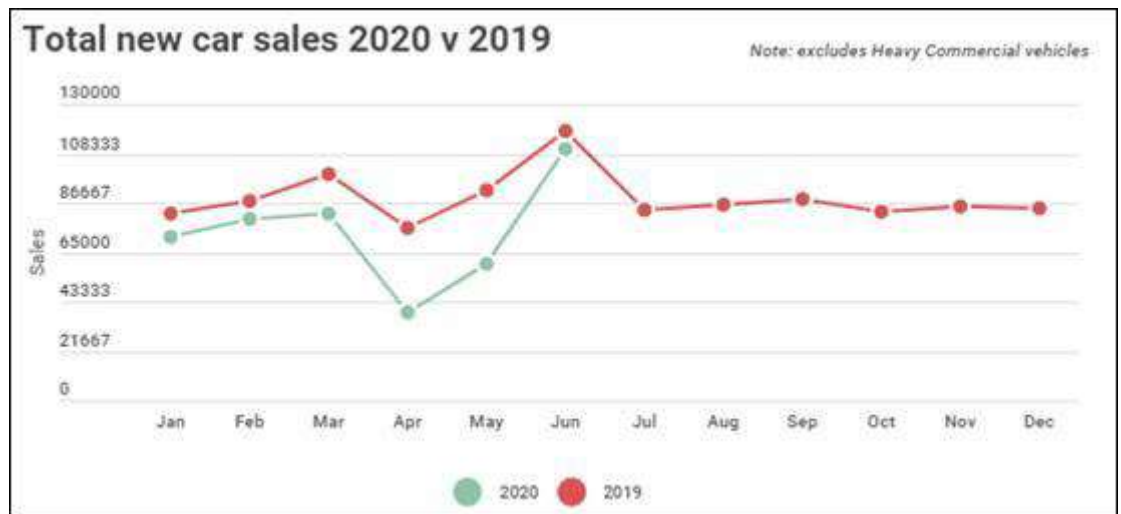
- Over the past few years there has been a distinct shift in the configuration of modern vehicle dealerships, particularly new car showrooms with double height display rooms; high quality internal fitouts; in-store cafes and customer lounge areas, both within the new car showroom and the service centre reception components, with other innovations being full customer service offerings; courtesy pick up and drop off of vehicles among others.
- Accordingly, there has been a growing distinction between new dealerships and existing older style dealerships. Either lessees or existing owner occupiers of older dealerships have had to spend considerable capital sums in upgrading the facilities not only to satisfy the customer but to meet the increasing requirements of the vehicle manufacturers who desire to have their product displayed in a contemporary facility of a specific branding standard.

Demand for facilities like the subject premises and sustainable rental levels are linked to the business success of operations in the car sales market. The success of these businesses often bears a strong relationship with general business prosperity and prevailing economic market conditions whereby consumer spending on luxury goods such as cars is generally impacted by the broader economy and more specifically the confluence of factors such as availability of finance, employment growth and trend for business profit which impacts the environment for discretionary spending on items such as cars.

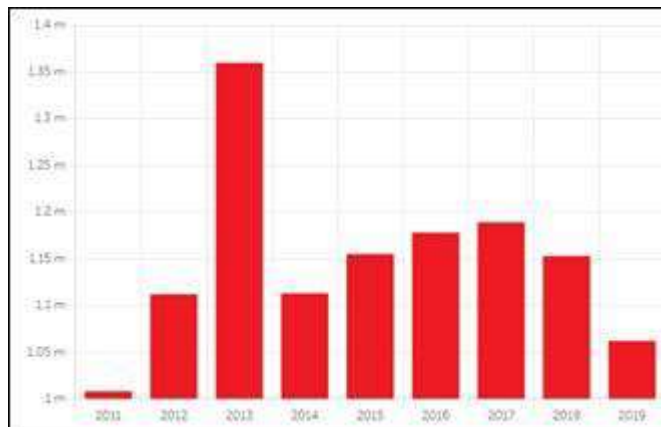
- As at January 2020, there were 5,779,039 total motor vehicles on register in New South Wales, approximately 12.9% more than Victoria and 37.4% more than Queensland. This equates to approximately 712 vehicles per 1,000 population, with the Northern Territory being the only state with a lower vehicle per capita ratio.
- Of the total vehicles on register, approximately 33% were manufactured between 2015-2020, 27% between 2010-2014, 20% between 2005-2009, and a further 20% up to 2004.
- Between 2015-2020, passenger vehicles on register in New South Wales experienced cumulative growth of 7% (4,050,873 vehicles 2015 vs 4,348,429 vehicles 2020), with this rate of growth trailing that experienced in the other major states of Victoria (11%) and Queensland (10%). Contrastingly, the total number of light commercial vehicles on register grew by 21% over this same period (776,171 vehicles 2015 vs 941,140 vehicles 2020), outpacing the rate of growth experienced in Victoria (15%) and Queensland (17%) respectively. Further, the number of campervans on register grew by 41% over this period to reach 19,601 vehicles as of January 2020.

New Car Sales

- The new car industry has been dealt a number of significant blows since the beginning of 2020 with a combination of bushfires in Victoria, US-China trade tensions and more significantly the impacts and fallout of the Covid-19 pandemic which is still having wide scale impacts to most of the world and the Australian economy (particularly as Victoria has re-entered Stage 3 restrictions and New South Wales is at risk of further restrictions).
- Historically, March has been the second biggest month of the year for new car sales given the lead-up to the end of the financial year, however as a result of Covid-19 and various impacts / restrictions (i.e. social distancing, finance applications being knocked back, buyer interest and the general state of the economy/consumer sentiment) there was a 17.9% drop in new car sales when compared to March 2019 (March 2020 was also the lowest March since the Global Financial Crisis). Unfortunately, the data for April was also negative with a drop in new car sales of 48.5%, the biggest decline the new car industry has seen in 30 years and largely attributed to the Covid-19 pandemic.
- In more positive news for the new car industry, new car sales in Australia performed better than expected in June, however notwithstanding the positive results for June, it was still the 27th consecutive month there was a slowdown in sales which is the longest slump since the Global Financial Crisis. The more positive than anticipated June was largely due to the easing of Covid-19 restrictions and lockdowns across the country, instant asset write off's and re-allocation of personal funds (i.e. customers are no longer taking holidays due to travel restrictions and some are re-deploying the cash to vehicles).
- The graph below shows the 2020 year to date in comparison to the 2019 calendar year, the strong June is clearly noted and in comparison, June 2019 is only marginally higher (total of 117,817 sales in June 2019 compared with 110,234 sales in June 2020). The results for July and August 2020 will be particularly telling for the car dealership industry as the economy continues to recover.

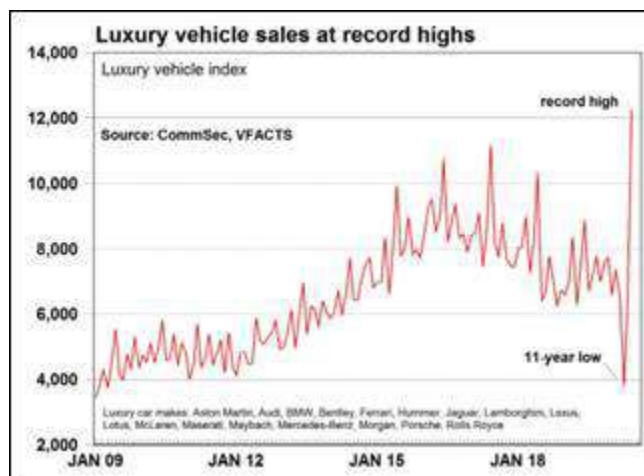


- We further detail below a graph which highlights the downward trend in new vehicle sales from 2018 onwards. Research indicates that new car sales are expected to continue to decline further in the coming years and again should be closely monitored.



Luxury Car Sales

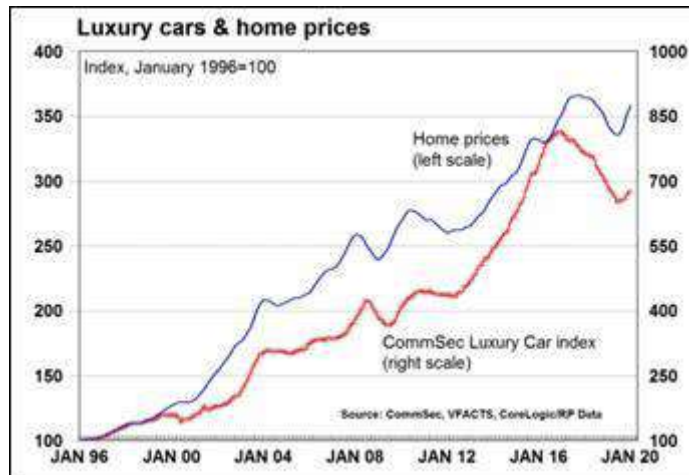
- A market study prepared by CommSec dated July 8 2020 highlighted that 12,235 luxury cars were sold in June (refer table below), which was almost double May and triple April (which was an 11 year low of vehicle sales). These brands typically included BMW, Bentley, Aston Martin, Audi, Mercedes Benz, Lexus and Porsche amongst others. The last luxury car peak occurred in December 2016 where approximately 11,000 vehicles were sold for the month. The graph below highlights the record month that was achieved and followed the 11-year low.



- A combination of low interest rates, end of financial year deals and instant asset write off's have all contributed to an increase in demand over the month of June. Additionally, the closure of borders and

inability to travel internationally has resulted in what would otherwise have been holiday expenditure and converted this to luxury vehicle purchases.

- Over the years, demand for vehicles has closely tracked the housing market, and typically when there has been a dip in house prices, not only the new car market but also the luxury car market has also mirrored this dip in demand for vehicles (as discretionary expenditure dips). This trend is explained due to the decrease in the 'wealth effect' and consumer sentiment (i.e. a direct result of the equity in a person's home decreasing). Research from the CommSec report identified that from July 2019 to February 2020 the luxury vehicle index rose exactly to match the gains in home prices (refer table overleaf), followed by a 2% drop in March and 2.9% drop in April where house prices also declined.



Outlook

- There is concern amongst the car dealership industry with electric cars evolving over time which may require far less maintenance due to fewer moving parts. With direct drive electric motors, only brakes and tyres may require regular servicing, resulting in a dramatic reduction in ongoing servicing revenue.
- Additional challenges are also arising from the rising costs of car maintenance and declining rates of car ownership. The number of cars per household fell from 1.58 in 2008 to 1.48 cars in 2018, and the cost of buying and maintaining a car jumped 66% in the 15 years to June 2019; outpacing CPI by 42% in the same period. High fuel prices and pressure on profit margins have added to these pressures. Unleaded petrol has cost an average 143 cents per litre in 2018-19. Millennials also seem to prefer to rely on existing public transport or ride-sharing companies such as Uber and Lyft causing further falls in car ownership.
- The introduction of autonomous vehicles may also result in far more ride-sharing, and even car-sharing, if consumer's mindset adapts to one where an autonomous car simply becomes another mode of transport supplementing existing public transport. This will result in further declines in car ownership and less sales at dealerships.

7 Market Evidence

7.1 Leasing Evidence

Overview

- We have had consideration to a number of leasing transactions from the wider Sydney Metropolitan Area, particularly being mindful of the use of the premises. Specific leasing transactions we have considered are detailed below.

Part Ground Floor & First Floor, 61-63 O'Riordan Street, Alexandria



Tenant	Scotts Honda	Rental pa	\$608,850 (net) \$789,250 (gross)
Lettable Area	2,255 sqm	\$ PSM Lettable	\$270 (net) \$350 (gross)
Site Area	-	\$ PSM Site	-
Comm. Date	May 2021	Term/Option	6+5+5 yrs
Incentive	8.3%	Rent Reviews	3%

Description: Comprises a highly exposed office/warehouse/showroom facility situated at the south west intersection of O'Riordan Street and Doody Street, at Alexandria. The buildings improvements are modern in nature and are configured to provide ground floor showroom and service area together with first floor showroom, storage, wash bay and amenities. Car parking is provided on the rooftop and in the basement. Outgoings estimated at \$80psm.

Comparison: Slightly inferior location, smaller lettable area. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

309 Military Road, Mosman



Tenant	Mosman Prestige Cars Pty Ltd	Rental pa	\$762,360 (net) \$896,894 (gross)
Lettable Area	960 sqm	\$ PSM Lettable	\$794 (net) \$934 (gross)
Site Area	912 sqm	\$ PSM Site	\$983 (gross)
Comm. Date	April 2021	Term/Option	5+5+5 yrs
Incentive	2.5% net	Rent Reviews	3.5%

Description: A modern automotive showroom situated on a well exposed corner allotment. The property features ground floor showroom accommodation with high ceilings, mezzanine office and basement parking with vehicle lift. Structured on a net basis whereby the tenant is responsible for paying council rates, water rates, land tax, building insurance, repairs/maintenance and building management.

Comparison: Superior location, smaller lettable area. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy

52 Sunnyholt Road, Blacktown



Tenant	Ozcar	Rental pa	\$200,000 (gross)
Lettable Area	476 sqm	\$ PSM Lettable	\$420 (gross)
Site Area	2,046 sqm	\$ PSM Site	\$98 (gross)
Comm. Date	August 2020	Term/Option	1+5 yrs
Incentive	Undisclosed	Rent Reviews	Increase of \$20,000 in Yr 2

Description: Comprises an established dealership located on Sunnyholt Road in Blacktown. The site is improved with a 476 sqm showroom/office which has been renovated in recent years. The front of the site incorporates a large hardstand component utilised as a vehicle display yard and access driveway. The property is co-located to other motor vehicle dealers in a medium size dealership cluster. Site coverage of 23%

Comparison: Inferior location, smaller lettable area, inferior accommodation. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

1044 & 1050 Victoria Road, West Ryde



Tenant	Servco Australia	Rental pa	\$1,397,838 (gross)
Lettable Area	3,575 sqm	\$ PSM Lettable	\$391 (gross)
Site Area	6,554 sqm	\$ PSM Site	\$213 (gross)
Comm. Date	August 2020	Term/Option	10 yrs
Incentive	Undisclosed	Rent Reviews	CPI+1%

Description: Comprises two modern car dealerships constructed circa 1980 and currently operating as Ryde Toyota. The improvements extend to approximately 3,575 sqm and are situated on two corner allotments, each of which has separate access from both Victoria Road and Riverview Street. The front portion of both sites predominately consists of concrete hardstand utilised for vehicle display, with the improvements situated towards the rear and incorporating a series of older style, interconnected buildings used for vehicle showrooms, office, customer waiting area and general amenities. Other ancillary improvements include multiple concrete sealed driveways, pylon signage, steel bollards and basic landscaping. The property has two large frontages to Victoria Road, which experiences high levels of passing traffic.

Comparison: Similar location, larger lettable area, similar exposure with large yard component. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

355-357 Pacific Highway, Artarmon



Tenant	Trivett Automotive Retail Pty Limited	Rental pa	\$720,000 (semi gross) \$800,702 (gross)
Lettable Area	2,012 sqm	\$ PSM Lettable	\$358 (semi gross) \$398 (gross)
Site Area	2,116 sqm	\$ PSM Site	\$379 (gross)
Comm. Date	April 2020	Term/Option	2+5 yrs
Incentive	Nil	Rent Reviews	4%

Description: A circa 2000s, two storey showroom situated on the southern corner of the Pacific Highway intersection with Whiting Street. Features approximately 1,814 sqm of showroom accommodation with good exposure to Pacific Highway, mezzanine office accommodation of approximately 198 sqm and lower level secure parking for 35 cars. Tenant responsible for paying council rates, water rates, land tax and building insurance which we have assessed at \$80,702 pa. Variation of lease AG930802 providing a considerable reduction in rent for the consideration of \$500,000.

Comparison: Inferior location, smaller lettable area, similar improvements and condition. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

36-38 Parramatta Road, Forest Lodge



Tenant	Kaizen Motors Pty Ltd	Rental pa	\$1,400,000 (net) \$1,570,000 (gross)
Lettable Area	6,500 sqm	\$ PSM Lettable	\$215 (net) \$242 (gross)
Site Area	3,022 sqm	\$ PSM Site	\$520 (gross)
Comm. Date	March 2020	Term/Option	10 yrs
Incentive	2.1% net	Rent Reviews	>CPI/3%

Description: Comprises a well-presented large, part three level showroom/automotive workshop facility situated on a slightly irregular shaped end allotment fronting Parramatta Road, Ross Street and Arundel Street. The property is configured to provide two levels of showroom accommodation and a lower level service centre with parking. In addition to this there is ample rooftop parking. Tenant responsible for paying council rates, water rates, land tax, building insurance and management which we have assessed at \$170,000 pa.

Comparison: Similar location, larger lettable area, similar improvements, inferior shaped site with shorter frontage to Parramatta Road. Overall considered to indicate a higher gross market rental rate psm of lettable area for the subject tenancy.

13 Blaxland Serviceway, Campbelltown



Tenant	4WD Super Centre	Rental pa	\$626,394 (gross)
Lettable Area	2,042 sqm	\$ PSM Lettable	\$307 (gross)
Site Area	3,800 sqm	\$ PSM Site	\$165 (gross)
Comm. Date	January 2020	Term/Option	7+5+5 yrs
Incentive	3.6% net	Rent Reviews	3.5%

Description: Comprises a well-presented large, open floor plan showroom with amenities and associated office accommodation. Primarily sell vehicle parts and accessories for 4WD motor vehicles. Previously utilised as a Mercedes Benz vehicle dealership. Incentive of 3 months net rent free with outgoings advised at \$57/m² p.a. Equates to \$510,000 net pa (\$250 net psm over building area and \$134 net psm over site area). Site Coverage 54%.

Comparison: Inferior location, larger lettable area. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

7.2 Leasing Evidence Conclusions

Overview

- The rental evidence above reflects a range of \$242 to \$934 gross per square metre gross.
- In assessing the semi gross market rent for the subject premises we have had regard to:
 - Comparable rentals
 - The permitted use
 - Outgoings recovery
 - Prescribed criteria for determining market rental within the lease
 - Prevailing market conditions

Summary

- In assessing the market evidence, we note the rental of 309 Military Road, Mosman is situated in a superior location providing a smaller lettable area of similar showroom accommodation, which we consider to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.
- We note the rental of 36-38 Parramatta Road, Forest Lodge is situated in a similar location providing a larger lettable area with a comparable use, which we consider to indicate a higher gross market rental rate psm of lettable area for the subject tenancy.
- Based on the available evidence, we have adopted a market rental range of \$250-\$300 gross psm of lettable area for the subject tenancy. We consider the assessed passing rental of \$240 gross psm to be below market parameters for a property of this nature.

7.3 Current Lease Terms Commentary

Overview	<ul style="list-style-type: none"> The subject tenancy is currently leased to Autosports Leichhardt Pty Ltd with the lessor being Autosports Properties Leichhardt Pty Limited. We have been advised by the instructing party that the lease is between related parties and have been instructed to comment on the terms of the lease.
Rental Structure	<ul style="list-style-type: none"> The rental is structured on a semi gross basis, whereby the tenant is responsible for paying some of the outgoings for the property. In this instance, the tenant is liable for paying 100% of council rates, water rates, land tax and building insurance, which we have allowed for a proportionate rate due to the multi tenanted nature of the parent development. Based on the evidence provided above, car dealerships generally tend to be structured on a net basis or semi gross basis, with tenants liable for all or some of the outgoings applicable to the property. We consider the semi gross nature of the rental to be acceptable and within market parameters for a tenancy of this nature.
Term/Options	<ul style="list-style-type: none"> The lease is structured on a 10+5+5 year term which commenced in July 2016. Based on the evidence provided above, car dealerships generally tend to be structured with an initial term of 5-10 years, which is generally succeeded with multiple option periods of 5 years. We consider the 10+5+5 year term/option period to be acceptable and within market parameters for a tenancy of this nature
Annual Reviews	<ul style="list-style-type: none"> The lease incorporates annual reviews of 3.5% at the anniversary of the commencement date. Based on the available evidence, the majority of the deals being transacted are being struck with reviews in the vicinity of 3%-4%. We consider the 3.5% annual reviews to be within market parameters for an acceptable review method.
Market Review	<ul style="list-style-type: none"> We note the lease is not reviewed to market at the end of each term/exercise of option, which is generally common in arm's length leases, rather the lease is reviewed at the annual review of 3.5%. In addition to this there is a ratchet clause contained within the lease. Clause 2.5 stipulates that the Rent payable after the relevant Review Date must be equal to or more than the Rent payable immediately before that Review Date (disregarding any Rent abatement). We consider these two features to be favourable towards the landlord, and would not generally be in line with market terms for a standard market lease, which would generally adopt a market review at the lease option.
Incentives	<ul style="list-style-type: none"> We note the lease does not incorporate any outstanding incentives based on the lease documentation that has been provided. The lease included a 12 month rent free period from commencement, which has expired. Based on the available evidence, incentives offered range from 2.1% to 12% net (1.9% to 8.5% gross), which are generally offered in the initial term of a new deal and not in lease renewals.

8 Rental Assessment

8.1 Introduction

- Overview**
- In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent leasing transactions of comparable properties (as previously detailed).
- Assessment Approach**
- Direct Comparison.

8.2 Market Rent Adopted

- Market Rent Adopted**
- As detailed earlier, relevant car showroom rental evidence from Metropolitan Sydney reflects a range of \$242 to \$934 per square metre gross.
 - Based on the available evidence, we have adopted a market rental range of \$250-\$300 gross psm of lettable area for the subject tenancy. We consider the assessed passing rental of \$240 gross psm to be below market parameters for a property of this nature. We have adopted a market rental of \$280 gross psm of lettable area for the subject tenancy, which equates to the semi gross rent stipulated below:

Market Income Assessment

Demised Premises	Tenant	Area (sqm)	Rate \$psm	Market Rent (\$pa)
First Floor	Autosports Leichhardt Pty Ltd	3,100.0	\$280 \$psm pa	\$868,000
Combined Gross Market Rental		3,100.0	\$280 \$psm pa	\$868,000
Less Recoverable Outgoings		3,100.0	(\$62) \$psm pa	(\$192,463)
Semi Gross Market Income		3,100.0	\$218 \$psm pa	\$675,537

8.3 Market Rent Assessment

- Key Considerations**
- We consider that key factors influencing the rent for the subject premises include:
 - Above average exposure given the extensive street exposure Parramatta Road.
 - Good quality ancillary workshop accommodation with for a property of this type.
 - We consider the assessed passing rental of \$234 gross psm to be below market parameters for a property of this nature.
 - The market rental assessed herein has been undertaken on an annual semi gross rental basis. In addition to the rent the lessee is responsible for property outgoings stipulated within this report and GST.

- Market Rental Value**
- We have assessed the Semi-Gross Market Rental Value as follows:

\$218 semi gross per square metre

\$675,537 semi gross per annum

(Six Hundred and Seventy Five Thousand, Five Hundred and Thirty Seven Dollars)

- This assessment is exclusive of GST. This assessment is exclusive of GST.

We are not tax experts and have not been provided with tax or legal advice. The Reliant Party must make its own enquiries if they consider that GST applies.

9 Qualifications

The report must be read in accordance with and subject to the following qualifications:

Market Movement	Values vary from time to time in response to changing market circumstances. The assessment is based on available information as at the date of assessment. No warranty can be given as to the maintenance of this value into the future. Therefore, it should be reviewed periodically.
Extent of Investigations	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions	Assumptions are a necessary part of undertaking assessments. CBRE adopts assumptions for the purpose of providing assessment advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the assessment contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the assessment are incorrect, then this may have an effect on the assessment.
Information Supplied By Others	This document contains information which is derived from other sources. Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for assessment purposes or not. Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own. Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar assessment/consultancy service. The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the assessment is incorrect, then this may have an effect on the assessment.
Future Matters	To the extent that the assessment includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Industry Practice	Subject to the assumptions and qualifications detailed within, this assessment report is issued in accordance with the Australian Property Institute Valuation and Property Standards (ISBN 0-9975414-0-1) and International Valuation Standards (ISBN 978-0-9569313-0-6). Where these are at variance, the assumptions and qualifications included within this assessment report will prevail generally, and the International Valuations Standards will prevail over the Australian Property Institute Valuation and Property Standards.

A. Letter of Engagement

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APPENDIX 8: CBRE REPORT, 531-571 PARRAMATTA RD, LEICHHARDT (EXCLUDING FIRST FLOOR SHOWROOM)

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CBRE VALUATION & ADVISORY SERVICES

Market Rental Assessment

Autosports Group Head Office, Lamborghini Showroom and Honda Showroom

531-571 Parramatta Road, Leichhardt NSW 2040

15 October 2021

BDO Corporate Finance (East Coast) Pty Ltd

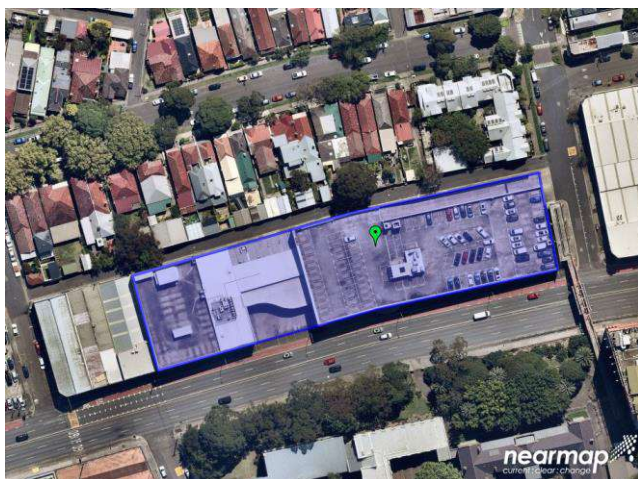
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TENANCY



Parramatta Road Frontage



Aerial Image (Source: Nearmap)

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1 Market Rental Assessment Summary

INSTRUCTIONS/RELIANCE

Instructing Party	David McCourt, BDO Corporate Finance (East Coast) Pty Ltd Level 11, 1 Margaret Street, Sydney NSW 2000
Reliant Party/Purpose	BDO Corporate Finance (East Coast) Pty Ltd for market rental advisory purposes only.
Interest Valued	Market rental value of the Leased Premises (stated below) as at 15 October 2021.

PREMISES

Leased Premises	531-571 Parramatta Road, Leichhardt NSW 2040
Legal Description	Part of Lot 10 in Deposited Plan 1000651 & Part of Lot 1 in Deposited Plan 1115644
Lessor	Autosports Properties Leichhardt Pty Limited
Lessee	Autosports Leichhardt Pty Ltd
Brief Description – Leased Premises	The subject tenancy comprises the ground floor of the parent building (531-563 Parramatta Road) along with an adjoining three level building (565-571 Parramatta Road), and provides showroom accommodation with ancillary automotive workshop areas. At the date of inspection, the ground floor of 531-563 Parramatta Road was being used as the Autosports Group Head Office and a Lamborghini Dealership and part Honda Dealership, while the entirety of 565-571 Parramatta Road was being used as a Honda Dealership.
Brief Description – 531-563 Parramatta Road	A circa 1990s (subsequently refurbished), two level showroom building situated on a slightly irregular shaped, sloping end allotment having frontages to Parramatta Road, Elswick Street and Easter Street. The parent building is configured to provide two levels of showroom/office/automotive workshop accommodation with rooftop parking.
Brief Description – 565-571 Parramatta Road	A circa 1990s (subsequently refurbished), part three level showroom building situated on a slightly irregular shaped, sloping end allotment having frontages to Parramatta Road and Easter Street. The parent building is configured to provide three levels of showroom/office/automotive workshop accommodation with rooftop parking.
	Lettable Area: 5,540 square metres
	Car Parking: Ample roof top parking provisions

MARKET RENTAL ASSESSMENT

Date of Assessment	15 October 2021
Date of Inspection	15 October 2021
MARKET RENTAL VALUE	\$201 semi gross per square metre \$1,113,209 semi gross per annum (One Million, One Hundred and Thirteen Thousand, Two Hundred and Nine Dollars) This assessment is exclusive of GST.

Valuer	 Thomas Webster AAPI Associate Director Valuation & Advisory Services Inspection – Yes
Co-Signatory**	 Mark Skeed Senior Director Valuation & Advisory Services Inspection – Yes

** The Co-Signing Director/Peer or Quality Assurance Reviewer confirms having reviewed the valuation methodology and calculations, however the opinion of value expressed has been arrived at by the Principal Valuer alone.

Conditional Terms	This summary must not be read independently of the rental assessment report in its entirety. This rental assessment is subject to all content, assumptions, disclaimers, qualifications and recommendations
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throughout the report. The report is prepared for the use of and reliance by the Reliant Party only and limited only to the Purpose specifically stated. No responsibility is accepted or assumed to any third party for the whole or any part of the report.

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2 Reliance & Reporting

2.1 Reliance & Liability

Liability	Liability limited by a scheme approved under Professional Standards Legislation.
Reliance	This assessment is strictly and only for the use of the Reliant Party and for the Purpose specifically stated in the Instructions section.
Confidentiality	This assessment is strictly confidential between CBRE and the Reliant Party.
Transmission	Only an original report received by the Reliant Party directly from CBRE without any third party intervention can be relied upon.
Restricted	No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this report.
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Value Subject To Change	This assessment is current as at the date of rental assessment only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movement or factors specific to the particular property). For the avoidance of doubt, this may include global financial crises or force majeure events. We do not accept liability for losses arising from such subsequent changes in value.
Reliance Period	We do not assume any responsibility or accept any liability in circumstances where this rental assessment is relied upon after the expiration of 90 days from the date of report, or such earlier date if the Reliant Party becomes aware of any factors that have any effect on the assessment.
Disclosure	CBRE must be advised in the event that the Reliant Party becomes aware of any changes relating to the information and advice provided by the Instructing/Reliant Party during the Reliance Period. This includes, without limitation, any changes to information and advice provided in relation to encumbrances, registered/unregistered interests, title, and land area/dimensions. In any such event, this assessment must not be relied upon without consulting CBRE first to reassess any effect on the rent.
Valuer's Interest	We hereby certify that the Principal Valuer is suitably qualified and authorised to practise as a valuer; has at least 5 years of continuous experience in valuation; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper assessment of the property; and accepts instructions to value the property only from the Responsible Entity/Instructing Party.

2.2 Market Value Definitions

Market Rent Definition	In accordance with the International Valuation Standard, the definition of market rent is as follows: "The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
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2.3 Critical Assumptions

Our assessment is subject to the following critical assumptions:

Lettable Areas	<ul style="list-style-type: none"> The floor areas adopted are based on measurements taken by CBRE. We have not been provided with lettable area survey reports. Lettable areas adopted herein have been derived from our onsite measurements taken at the date of inspection. We reserve the right to reconsider our findings in the event of a survey being completed in accordance with the Property Council of Australia's Method of Measurement, indicating differing areas from those adopted herein.
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Outgoings

- We have not been provided with the current outgoing and therefore adopted an amount which we consider to be in line with market parameters given the location and use of the current improvements. Should the actual outgoing differ significantly then this report should be returned for comment and/or re-assessment.
- As per the lease document provided, the tenant is responsible for paying 100% of the council rates, water rates, land tax and building insurance. Given the parent building is shared between two tenants, we have apportioned the recoverable outgoing based on the total tenancy area as a proportion of the total parent building area. Part of the tenancy is situated on an adjoining allotment which has also been considered with the recovery of outgoing. Should subsequent information be provided indicating differing amounts for the recoverable outgoing then this report should be returned for comment and/or re-assessment.

2.4 Recommendations

Lettable Areas

- We recommend that lettable areas be verified by a building survey prepared by a suitably qualified building surveyor. We reserve the right to reconsider our findings in the event of a survey being completed in accordance with the Property Council of Australia's Method of Measurement, indicating differing areas from those adopted herein.

3 Location

Locality

- Located in the suburb of Leichhardt, approximately 6.1 kilometres west of the Sydney CBD.
- Situated on the northern side of Parramatta Road, at its intersection with Elswick Street, and approximately 150 metres east of its intersection with National Street.

Surrounds

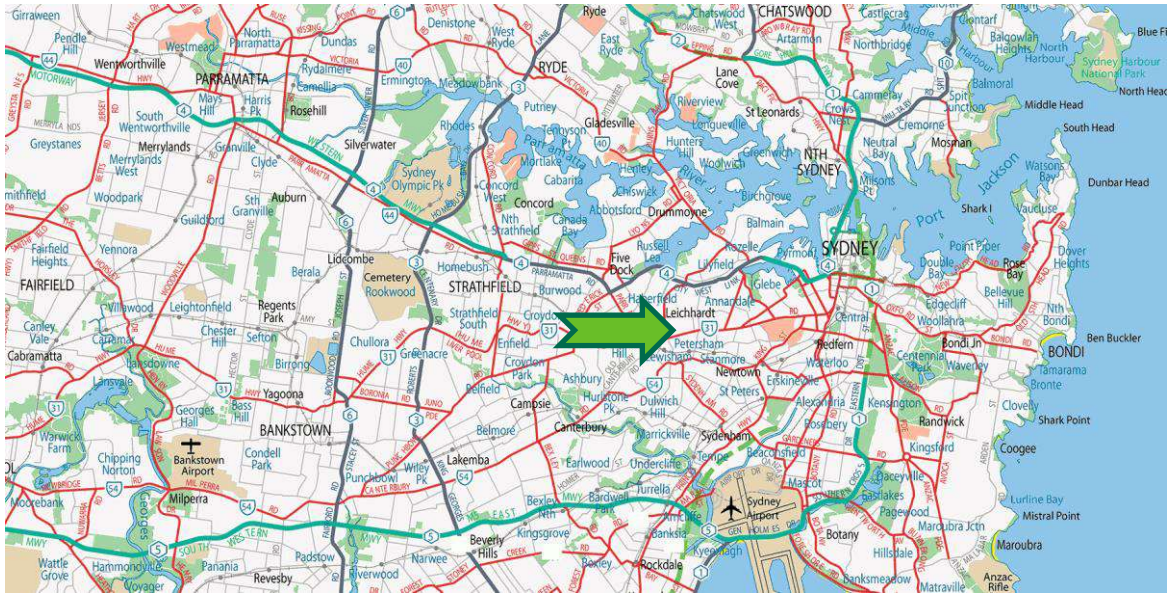
- Predominantly similar light industrial, showrooms and retail facilities interspersed along the northern side of Parramatta Road. An educational establishment, and retail showrooms are situated on the southern side of Parramatta Road, opposite the subject property.

Transport/Roads

- Lewisham Railway Station is situated approximately 1.4 kilometres by road south-west of the subject property.

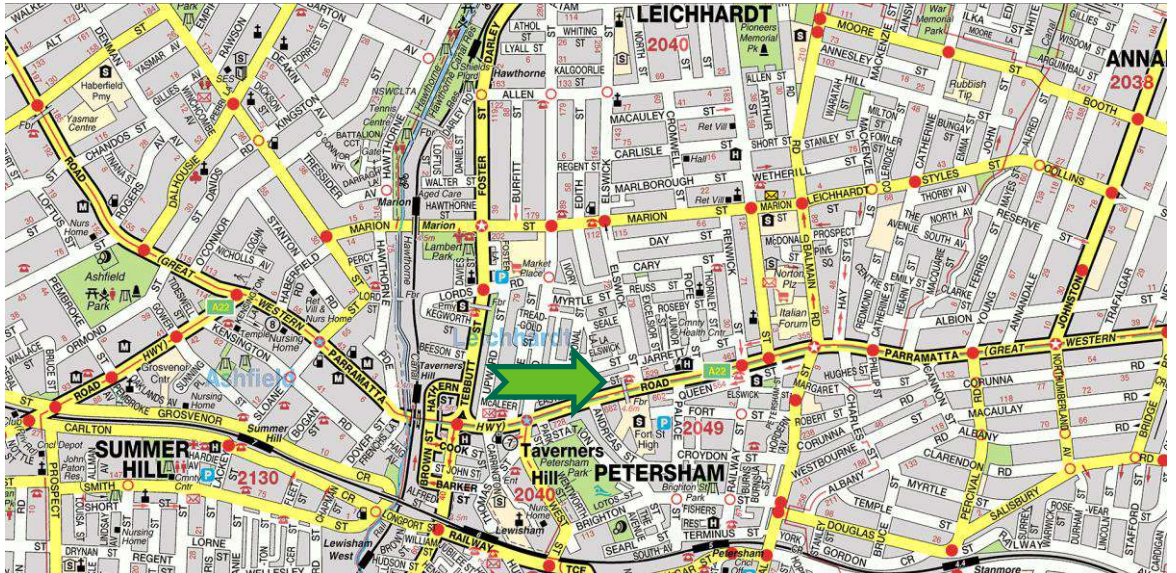
Regional Map

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Local Map

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4 Premises

4.1 Property Description

Brief Description –
531-563 Parramatta
Road

A circa 1990s (subsequently refurbished), two level showroom building situated on a slightly irregular shaped, sloping end allotment having frontages to Parramatta Road, Elswick Street and Easter Street. The parent building is configured to provide two levels of showroom/office/automotive workshop accommodation with rooftop parking.

Brief Description –
565-571 Parramatta
Road

A circa 1990s (subsequently refurbished), part three level showroom building situated on a slightly irregular shaped, sloping end allotment having frontages to Parramatta Road and Easter Street. The parent building is configured to provide three levels of showroom/office/automotive workshop accommodation with rooftop parking.

4.2 Leased Premises Description

Brief Description –
Leased Premises

- The subject tenancy comprises the ground floor of the parent building (531-563 Parramatta Road) along with an adjoining three level building (565-571 Parramatta Road), and provides showroom accommodation with ancillary automotive workshop areas. At the date of inspection, the ground floor of 531-563 Parramatta Road was being used as the Autosports Group Head Office and a Lamborghini Dealership and part Honda Dealership, while the entirety of 565-571 Parramatta Road was being used as a Honda Dealership.

Tenancy Position &
Description

- The tenancy is configured to provide three separate areas.

Lamborghini Showroom

- Vehicle showroom accommodation to the south western corner of the Ground Floor (Parramatta Road frontage)
- Glass partitioned office accommodation

Autosports Group Head Office

- Swing door entry from Parramatta Road
- Small showroom component with balance glass partitioned and open plan office accommodation which has been fitted out to provide break out function areas and board room
- Male/female toilet amenities and kitchenette/meals room

Honda Showroom

- Small showroom component with covered awning area to the western end of the parent site
- Vehicle workshop accommodation to the northern alignment of the parent building (Easter Street frontage) with internal height clearance of 4-5 metres
- Staff kitchenette/meals area and toilet amenities with change rooms
- Separate part three level building featuring lower level showroom with car wash bays, ground floor showroom/vehicle storage area with roller shutter entry and mezzanine level office/storage areas. This building incorporates a car hoist which is accessible to all levels and benefits from rooftop parking provisions.

Access & Exposure

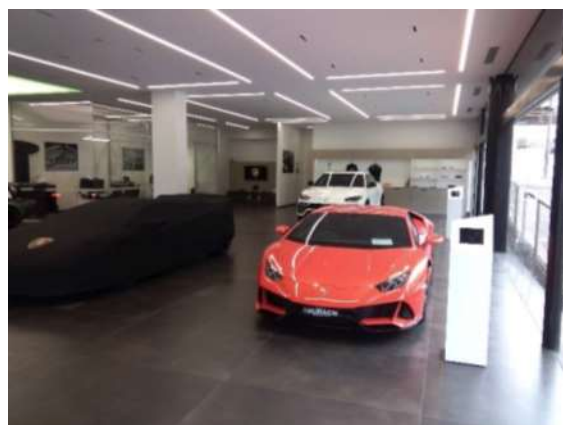
- The subject site comprises a sloping allotment that falls to the western boundary and which inhibits exposure to the eastern side of the Ground Floor. As a result, the eastern side of the Ground Floor does not receive any natural light. Notwithstanding, the position of the Lamborghini Showroom and Honda Showroom benefits from good exposure to Parramatta Road.
- Benefits from vehicle access from Parramatta Road (bollard secured) and Easter Street (ramp access with roller shutter).

Configuration & Internal
Finishes

- The tenancy is slightly irregular in shape, nonetheless considered functional for its current vehicle showroom/vehicle repair workshop use.
- Finishes generally comprise a combination of tile/floating timber/polished concrete floors, plasterboard lined walls and suspended grid ceilings with both suspended and recessed lighting and ducted air conditioning.
- The premises presents to a high quality standard.



Parramatta Road Elevation



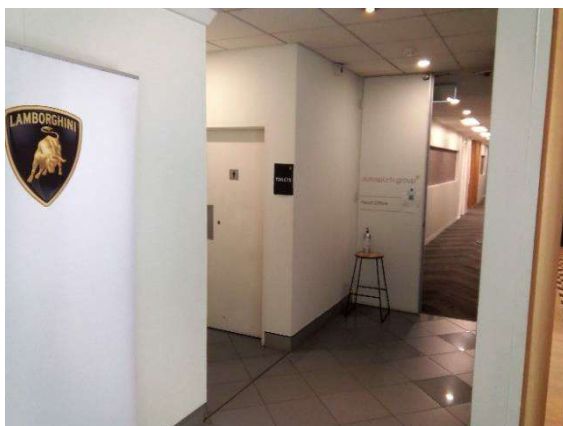
Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation

Lettable Area

Based on the on-site measurements taken at the date of inspection, the subject tenancy has a total lettable area of 5,540 square metres.

Car Parking

Ample roof top parking provisions.

4.3 Condition & Utility

Overview

The subject tenancy provides relatively modern showroom accommodation having been constructed circa 1990s. Accordingly, we consider the subject property to be in good condition having regard to its age and the purpose for which it is used. The property benefits from an extensive frontage to Parramatta Road providing elevated levels to passing vehicular traffic.

5 Current Lease Summary

5.1 Tenancy Schedule

TENANCY DETAILS			VALUATION DATE: 15 OCTOBER 2021		LEASE TERMS AND REVIEW INFORMATION					PASSING RENTALS						
Tenant	Level / Suite	Accom. Type	Lettable Area sqm	Lease Term (yrs)	Comm. Date	Expiry Date	Next Rent Review	Next Review Type	Remaining Term (yrs)	Net/ Gross	Base Rent Spa	Spsm	Outgoings Recovered Spa	Recovered Spsm	Gross Passing Rent Spa	Passing Rent Spsm
Autosports Leichhardt Pty Ltd	Ground Floor	Showroom	5,540.0	5.0	1-Jul-21	30-Jun-26	1-Jul-22	3.50%	4.7	Net	789,289	142	271,791	49	1,061,080	192
Total			5,540.0								789,289	142	271,791	49	1,061,080	192

5.2 Lease Overview

Salient Lease Terms We have been provided with a copy of the current lease by the instructing party, the salient terms of which are detailed below:

Lease Summary

Lease Status	Copy of Executed Lease and Variation of Lease
Premises	531-571 Parramatta Road, Leichhardt NSW 2040 (excepting 1 st floor showroom) (Part Folio Identifier Lot 10/1000651 and Part Folio Identifier Lot 1/DP111564)
Lessor	Autosports Properties Leichhardt Pty Limited
Lessee	Autosports Leichhardt Pty Ltd
Commencement Date	1 July 2021
Expiry Date	30 June 2026
Initial Term	5 years
Option Period/s	5 years
Lettable Area	Not stipulated in lease
Commencement Rental	\$789,289 semi gross per annum (\$142 semi gross per square metre)
Passing Rental	\$789,289 semi gross per annum (\$142 semi gross per square metre)
Reviews	3.5% increases on each anniversary of the commencement date of the lease
Outgoings	Lessee is responsible for 100% of the following outgoings: <ul style="list-style-type: none"> – Council rates – Land tax – Water rates – Building insurance
Permitted Use	Car showroom and vehicle repair workshop
GST Clause	All payments made under the terms of the lease are exclusive of GST
Make Good	The tenant to make good
Market Rent Review Criteria	We note that Item 2 in the reference schedule does not indicate any Market Review Dates, with rent to be reviewed at each anniversary of the Commencing Date irrespective of whether it's during the term or the commencement of an option period.
Rent not to Decrease (Ratchet Clause)	Clause 2.5 stipulates that the Rent payable after the relevant Review Date must be equal to or more than the Rent payable immediately before that Review Date (disregarding any Rent abatement).

5.3 Outgoings

Outgoings

- We have not been provided with the current outgoings and therefore adopted an amount which we consider to be in line with market parameters given the location and use of the current improvements. Should the actual outgoings differ significantly then this report should be returned for comment and/or re-assessment.

Recoverable Outgoings

- As per the lease document provided, the tenant is responsible for paying 100% of the council rates, water rates, land tax and building insurance. Given the parent building is shared between two tenants, we have apportioned the recoverable outgoings based on the total tenancy area as a proportion of the total parent building area. Part of the tenancy is situated on an adjoining allotment which has also been considered with the recovery of outgoings. Should subsequent information be provided indicating differing amounts for the recoverable outgoings then this report should be returned for comment and/or re-assessment.

OUTGOINGS SCHEDULE

Valuation Date: 15 October 2021

	Adopted (Budgeted)	
	Year Ending 30-Jun-22	
	\$pa	\$psm pa
Municipal/Council Rates	60,601	10.94
Water and Sewerage Rates	5,993	1.08
Land Tax	185,617	33.50
Insurance Premiums	19,580	3.53
Total Recoverable Outgoings	271,791	49.06

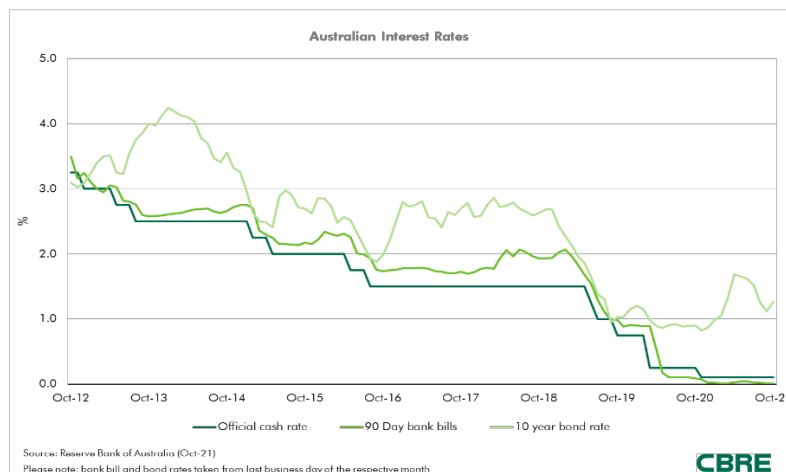
6 Market Commentary

6.1 Economic Overview

Australia

Source: Reserve Bank of Australia

- At its October meeting, the Reserve Bank of Australia's (RBA) Board decided to:
 - Maintain the cash rate target at 10 basis points and interest rate on Exchange Settlement balances at 0%.
 - Maintain the target of 10 basis points for the April 2024 Australian Government bond.
 - Continue to purchase government securities at the rate of \$4 billion a week until at least mid-February 2022.
- The Delta outbreak has interrupted the recovery of the Australian economy and GDP is expected to have declined materially in the September quarter. The outbreak is affecting many parts of the economy, but the impact is uneven, with some areas facing very difficult conditions while others are continuing to grow strongly.
- This setback to the economic expansion in Australia is expected to be only temporary. As vaccination rates increase further and restrictions are eased, the economy is expected to bounce back. Many businesses are now planning for the easing of restrictions and confidence has held up reasonably well. There is, however, uncertainty about the timing and pace of the bounce-back and it is likely to be slower than that earlier in the year. Much will depend on the nature and timing of the easing of restrictions on activity. In our central scenario, the economy will be growing again in the December quarter and is expected to be back around its pre-Delta path in the second half of next year.
- The restrictions on activity have had a significant effect on the labour market. Hours worked – the best indicator of labour market conditions at the moment – declined by nearly 4% in August. Looking forward, the RBA's business liaison and data on job vacancies suggest that many firms are seeking to hire workers ahead of the expected reopening in October and November.
- Wage and price pressures remain subdued in Australia. In underlying terms, inflation is running at around 1.75%; and wages, as measured by the Wage Price Index, are increasing at just 1.7%. While disruptions to global supply chains are affecting the prices of some goods, the impact of this on the overall rate of inflation remains limited.
- Housing prices are continuing to rise, although turnover in some markets has declined following the virus outbreak. Housing credit growth has picked up due to stronger demand for credit by both owner-occupiers and investors. The Council of Financial Regulators has been discussing the medium-term risks to macroeconomic stability of rapid credit growth at a time of historically low interest rates. In this environment, it is important that lending standards are maintained and that loan serviceability buffers are appropriate.
- The RBA's package of policies – including record low interest rates, the bond purchase program, the yield target and the funding provided under the Term Funding Facility – is providing substantial and ongoing support to the Australian economy. Borrowing rates are at record lows, sovereign bond yields are at very low levels and the exchange rate has depreciated over recent months. The fiscal responses by the Australian Government and the state and territory governments have also been providing welcome assistance in supporting household and business balance sheets.
- The RBA Board is committed to maintaining highly supportive monetary conditions to achieve a return to full employment in Australia and inflation consistent with the target. It will not increase the cash rate until actual inflation is sustainably within the 2% to 3% target range. The central scenario for the economy is that this condition will not be met before 2024. Meeting this condition will require the labour market to be tight enough to generate wages growth that is materially higher than it is currently.



6.2 Motor Vehicle Market

Overview

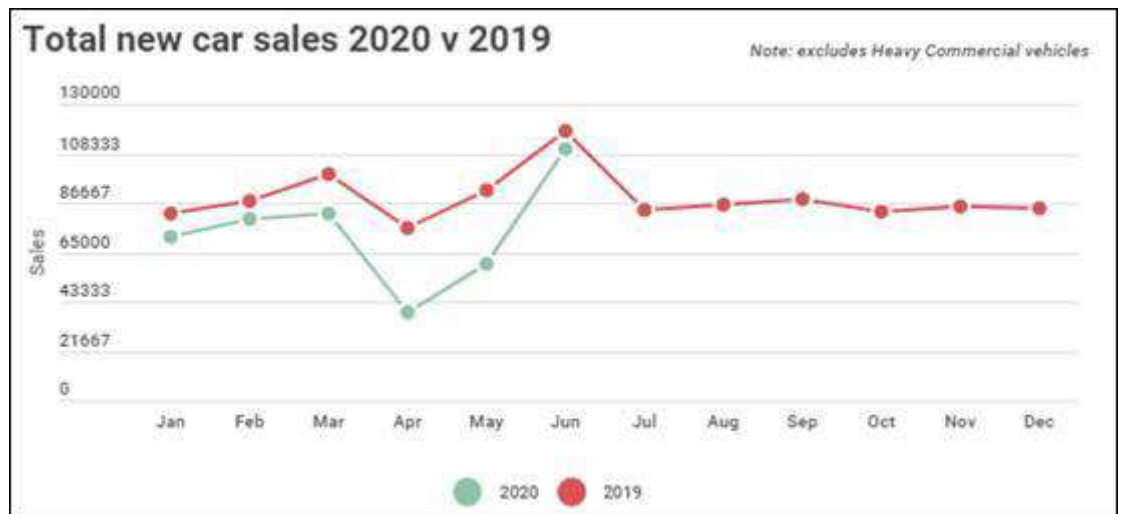
- Over the past few years there has been a distinct shift in the configuration of modern vehicle dealerships, particularly new car showrooms with double height display rooms; high quality internal fitouts; in-store cafes and customer lounge areas, both within the new car showroom and the service centre reception components, with other innovations being full customer service offerings; courtesy pick up and drop off of vehicles among others.
- Accordingly, there has been a growing distinction between new dealerships and existing older style dealerships. Either lessees or existing owner occupiers of older dealerships have had to spend considerable capital sums in upgrading the facilities not only to satisfy the customer but to meet the increasing requirements of the vehicle manufacturers who desire to have their product displayed in a contemporary facility of a specific branding standard.

Demand for facilities like the subject premises and sustainable rental levels are linked to the business success of operations in the car sales market. The success of these businesses often bears a strong relationship with general business prosperity and prevailing economic market conditions whereby consumer spending on luxury goods such as cars is generally impacted by the broader economy and more specifically the confluence of factors such as availability of finance, employment growth and trend for business profit which impacts the environment for discretionary spending on items such as cars.

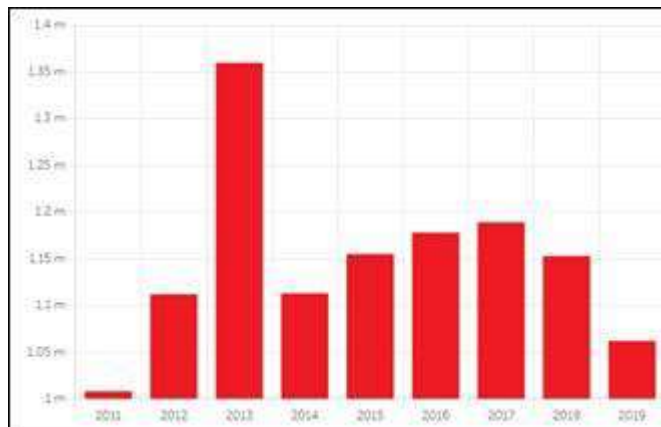
- As at January 2020, there were 5,779,039 total motor vehicles on register in New South Wales, approximately 12.9% more than Victoria and 37.4% more than Queensland. This equates to approximately 712 vehicles per 1,000 population, with the Northern Territory being the only state with a lower vehicle per capita ratio.
- Of the total vehicles on register, approximately 33% were manufactured between 2015-2020, 27% between 2010-2014, 20% between 2005-2009, and a further 20% up to 2004.
- Between 2015-2020, passenger vehicles on register in New South Wales experienced cumulative growth of 7% (4,050,873 vehicles 2015 vs 4,348,429 vehicles 2020), with this rate of growth trailing that experienced in the other major states of Victoria (11%) and Queensland (10%). Contrastingly, the total number of light commercial vehicles on register grew by 21% over this same period (776,171 vehicles 2015 vs 941,140 vehicles 2020), outpacing the rate of growth experienced in Victoria (15%) and Queensland (17%) respectively. Further, the number of campervans on register grew by 41% over this period to reach 19,601 vehicles as of January 2020.

New Car Sales

- The new car industry has been dealt a number of significant blows since the beginning of 2020 with a combination of bushfires in Victoria, US-China trade tensions and more significantly the impacts and fallout of the Covid-19 pandemic which is still having wide scale impacts to most of the world and the Australian economy (particularly as Victoria has re-entered Stage 3 restrictions and New South Wales is at risk of further restrictions).
- Historically, March has been the second biggest month of the year for new car sales given the lead-up to the end of the financial year, however as a result of Covid-19 and various impacts / restrictions (i.e. social distancing, finance applications being knocked back, buyer interest and the general state of the economy/consumer sentiment) there was a 17.9% drop in new car sales when compared to March 2019 (March 2020 was also the lowest March since the Global Financial Crisis). Unfortunately, the data for April was also negative with a drop in new car sales of 48.5%, the biggest decline the new car industry has seen in 30 years and largely attributed to the Covid-19 pandemic.
- In more positive news for the new car industry, new car sales in Australia performed better than expected in June, however notwithstanding the positive results for June, it was still the 27th consecutive month there was a slowdown in sales which is the longest slump since the Global Financial Crisis. The more positive than anticipated June was largely due to the easing of Covid-19 restrictions and lockdowns across the country, instant asset write off's and re-allocation of personal funds (i.e. customers are no longer taking holidays due to travel restrictions and some are re-deploying the cash to vehicles).
- The graph below shows the 2020 year to date in comparison to the 2019 calendar year, the strong June is clearly noted and in comparison, June 2019 is only marginally higher (total of 117,817 sales in June 2019 compared with 110,234 sales in June 2020). The results for July and August 2020 will be particularly telling for the car dealership industry as the economy continues to recover.

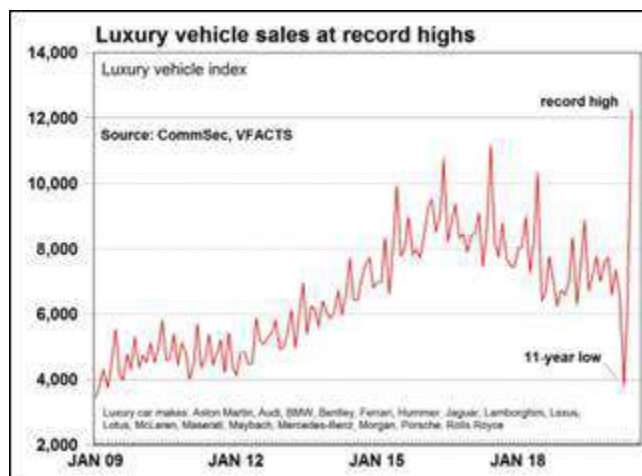


- We further detail below a graph which highlights the downward trend in new vehicle sales from 2018 onwards. Research indicates that new car sales are expected to continue to decline further in the coming years and again should be closely monitored.



Luxury Car Sales

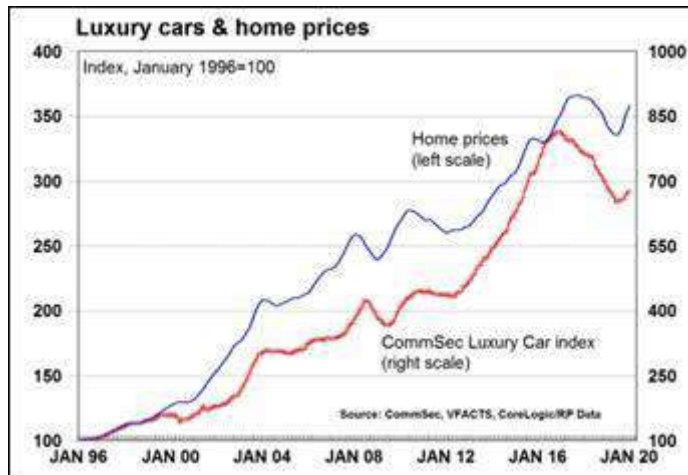
- A market study prepared by CommSec dated July 8 2020 highlighted that 12,235 luxury cars were sold in June (refer table below), which was almost double May and triple April (which was an 11 year low of vehicle sales). These brands typically included BMW, Bentley, Aston Martin, Audi, Mercedes Benz, Lexus and Porsche amongst others. The last luxury car peak occurred in December 2016 where approximately 11,000 vehicles were sold for the month. The graph below highlights the record month that was achieved and followed the 11-year low.



- A combination of low interest rates, end of financial year deals and instant asset write off's have all contributed to an increase in demand over the month of June. Additionally, the closure of borders and

inability to travel internationally has resulted in what would otherwise have been holiday expenditure and converted this to luxury vehicle purchases.

- Over the years, demand for vehicles has closely tracked the housing market, and typically when there has been a dip in house prices, not only the new car market but also the luxury car market has also mirrored this dip in demand for vehicles (as discretionary expenditure dips). This trend is explained due to the decrease in the 'wealth effect' and consumer sentiment (i.e. a direct result of the equity in a person's home decreasing). Research from the CommSec report identified that from July 2019 to February 2020 the luxury vehicle index rose exactly to match the gains in home prices (refer table overleaf), followed by a 2% drop in March and 2.9% drop in April where house prices also declined.



Outlook

- There is concern amongst the car dealership industry with electric cars evolving over time which may require far less maintenance due to fewer moving parts. With direct drive electric motors, only brakes and tyres may require regular servicing, resulting in a dramatic reduction in ongoing servicing revenue.
- Additional challenges are also arising from the rising costs of car maintenance and declining rates of car ownership. The number of cars per household fell from 1.58 in 2008 to 1.48 cars in 2018, and the cost of buying and maintaining a car jumped 66% in the 15 years to June 2019; outpacing CPI by 42% in the same period. High fuel prices and pressure on profit margins have added to these pressures. Unleaded petrol has cost an average 143 cents per litre in 2018-19. Millennials also seem to prefer to rely on existing public transport or ride-sharing companies such as Uber and Lyft causing further falls in car ownership.
- The introduction of autonomous vehicles may also result in far more ride-sharing, and even car-sharing, if consumer's mindset adapts to one where an autonomous car simply becomes another mode of transport supplementing existing public transport. This will result in further declines in car ownership and less sales at dealerships.

7 Market Evidence

7.1 Leasing Evidence

Overview

- We have had consideration to a number of leasing transactions from the wider Sydney Metropolitan Area, particularly being mindful of the use of the premises. Specific leasing transactions we have considered are detailed below.

Part Ground Floor & First Floor, 61-63 O'Riordan Street, Alexandria



Tenant	Scotts Honda	Rental pa	\$608,850 (net) \$789,250 (gross)
Lettable Area	2,255 sqm	\$ PSM Lettable	\$270 (net) \$350 (gross)
Site Area	-	\$ PSM Site	-
Comm. Date	May 2021	Term/Option	6+5+5 yrs
Incentive	8.3%	Rent Reviews	3%

Description: Comprises a highly exposed office/warehouse/showroom facility situated at the south west intersection of O'Riordan Street and Doody Street, at Alexandria. The buildings improvements are modern in nature and are configured to provide ground floor showroom and service area together with first floor showroom, storage, wash bay and amenities. Car parking is provided on the rooftop and in the basement. Outgoings estimated at \$80psm.

Comparison: Slightly inferior location, smaller lettable area. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

309 Military Road, Mosman



Tenant	Mosman Prestige Cars Pty Ltd	Rental pa	\$762,360 (net) \$896,894 (gross)
Lettable Area	960 sqm	\$ PSM Lettable	\$794 (net) \$934 (gross)
Site Area	912 sqm	\$ PSM Site	\$983 (gross)
Comm. Date	April 2021	Term/Option	5+5+5 yrs
Incentive	2.5% net	Rent Reviews	3.5%

Description: A modern automotive showroom situated on a well exposed corner allotment. The property features ground floor showroom accommodation with high ceilings, mezzanine office and basement parking with vehicle lift. Structured on a net basis whereby the tenant is responsible for paying council rates, water rates, land tax, building insurance, repairs/maintenance and building management.

Comparison: Superior location, smaller lettable area. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy

52 Sunnyholt Road, Blacktown



Tenant	Ozcar	Rental pa	\$200,000 (gross)
Lettable Area	476 sqm	\$ PSM Lettable	\$420 (gross)
Site Area	2,046 sqm	\$ PSM Site	\$98 (gross)
Comm. Date	August 2020	Term/Option	1+5 yrs
Incentive	Undisclosed	Rent Reviews	Increase of \$20,000 in Yr 2

Description: Comprises an established dealership located on Sunnyholt Road in Blacktown. The site is improved with a 476 sqm showroom/office which has been renovated in recent years. The front of the site incorporates a large hardstand component utilised as a vehicle display yard and access driveway. The property is co-located to other motor vehicle dealers in a medium size dealership cluster. Site coverage of 23%

Comparison: Inferior location, smaller lettable area, inferior accommodation. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

1044 & 1050 Victoria Road, West Ryde



Tenant	Servco Australia	Rental pa	\$1,397,838 (gross)
Lettable Area	3,575 sqm	\$ PSM Lettable	\$391 (gross)
Site Area	6,554 sqm	\$ PSM Site	\$213 (gross)
Comm. Date	August 2020	Term/Option	10 yrs
Incentive	Undisclosed	Rent Reviews	CPI+1%

Description: Comprises two modern car dealerships constructed circa 1980 and currently operating as Ryde Toyota. The improvements extend to approximately 3,575 sqm and are situated on two corner allotments, each of which has separate access from both Victoria Road and Riverview Street. The front portion of both sites predominately consists of concrete hardstand utilised for vehicle display, with the improvements situated towards the rear and incorporating a series of older style, interconnected buildings used for vehicle showrooms, office, customer waiting area and general amenities. Other ancillary improvements include multiple concrete sealed driveways, pylon signage, steel bollards and basic landscaping. The property has two large frontages to Victoria Road, which experiences high levels of passing traffic.

Comparison: Similar location, larger lettable area, similar exposure with large yard component. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

355-357 Pacific Highway, Artarmon



Tenant	Trivett Automotive Retail Pty Limited	Rental pa	\$720,000 (semi gross) \$800,702 (gross)
Lettable Area	2,012 sqm	\$ PSM Lettable	\$358 (semi gross) \$398 (gross)
Site Area	2,116 sqm	\$ PSM Site	\$379 (gross)
Comm. Date	April 2020	Term/Option	2+5 yrs
Incentive	Nil	Rent Reviews	4%

Description: A circa 2000s, two storey showroom situated on the southern corner of the Pacific Highway intersection with Whiting Street. Features approximately 1,814 sqm of showroom accommodation with good exposure to Pacific Highway, mezzanine office accommodation of approximately 198 sqm and lower level secure parking for 35 cars. Tenant responsible for paying council rates, water rates, land tax and building insurance which we have assessed at \$80,702 pa. Variation of lease AG930802 providing a considerable reduction in rent for the consideration of \$500,000.

Comparison: Inferior location, smaller lettable area, similar improvements and condition. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

36-38 Parramatta Road, Forest Lodge



Tenant	Kaizen Motors Pty Ltd	Rental pa	\$1,400,000 (net) \$1,570,000 (gross)
Lettable Area	6,500 sqm	\$ PSM Lettable	\$215 (net) \$242 (gross)
Site Area	3,022 sqm	\$ PSM Site	\$520 (gross)
Comm. Date	March 2020	Term/Option	10 yrs
Incentive	2.1% net	Rent Reviews	>CPI/3%

Description: Comprises a well-presented large, part three level showroom/automotive workshop facility situated on a slightly irregular shaped end allotment fronting Parramatta Road, Ross Street and Arundel Street. The property is configured to provide two levels of showroom accommodation and a lower level service centre with parking. In addition to this there is ample rooftop parking. Tenant responsible for paying council rates, water rates, land tax, building insurance and management which we have assessed at \$170,000 pa.

Comparison: Similar location, larger lettable area, similar improvements, inferior shaped site with shorter frontage to Parramatta Road. Overall considered to indicate a similar gross market rental rate psm of lettable area for the subject tenancy.

13 Blaxland Serviceway, Campbelltown



Tenant	4WD Super Centre	Rental pa	\$626,394 (gross)
Lettable Area	2,042 sqm	\$ PSM Lettable	\$307 (gross)
Site Area	3,800 sqm	\$ PSM Site	\$165 (gross)
Comm. Date	January 2020	Term/Option	7+5+5 yrs
Incentive	3.6% net	Rent Reviews	3.5%

Description: Comprises a well-presented large, open floor plan showroom with amenities and associated office accommodation. Primarily sell vehicle parts and accessories for 4WD motor vehicles. Previously utilised as a Mercedes Benz vehicle dealership. Incentive of 3 months net rent free with outgoings advised at \$57/m² p.a. Equates to \$510,000 net pa (\$250 net psm over building area and \$134 net psm over site area). Site Coverage 54%.

Comparison: Inferior location, larger lettable area. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

7.2 Leasing Evidence Conclusions

Overview

- The rental evidence above reflects a range of \$242 to \$934 gross per square metre gross.
- In assessing the semi gross market rent for the subject premises we have had regard to:
 - Comparable rentals
 - The permitted use
 - Outgoings recovery
 - Prescribed criteria for determining market rental within the lease
 - Prevailing market conditions

Summary

- In assessing the market evidence, we note the rental of 309 Military Road, Mosman is situated in a superior location providing a smaller lettable area of similar showroom accommodation, which we consider to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.
- We note the rental of 36-38 Parramatta Road, Forest Lodge is situated in a similar location providing a larger lettable area with a comparable use, which we consider to indicate a similar gross market rental rate psm of lettable area for the subject tenancy.
- Based on the available evidence, we have adopted a market rental range of \$240-\$300 gross psm of lettable area for the subject tenancy. We consider the assessed passing rental of \$192 gross psm to be below market

parameters for a property of this nature. We have adopted a market rental of \$250 gross psm of lettable area for the subject tenancy.

7.3 Current Lease Terms Commentary

Overview	<ul style="list-style-type: none"> The subject tenancy is currently leased to Autosports Leichhardt Pty Ltd with the lessor being Autosports Properties Leichhardt Pty Limited. We have been advised by the instructing party that the lease is between related parties and have been instructed to comment on the terms of the lease.
Rental Structure	<ul style="list-style-type: none"> The rental is structured on a semi gross basis, whereby the tenant is responsible for paying some of the outgoings for the property. In this instance, the tenant is liable for paying 100% of council rates, water rates, land tax and building insurance, which we have allowed for a proportionate rate due to the multi tenanted nature of the parent development. Based on the evidence provided above, car dealerships generally tend to be structured on a net basis or semi gross basis, with tenants liable for all or some of the outgoings applicable to the property. We consider the semi gross nature of the rental to be acceptable and within market parameters for a tenancy of this nature.
Term/Options	<ul style="list-style-type: none"> The lease is structured on a 5+5 year term which commenced in July 2021. This appears to be a lease renewal, with the initial term commencing in July 2016. Based on the evidence provided above, car dealerships generally tend to be structured with an initial term of 5-10 years, which is generally succeeded with multiple option periods of 5 years. We consider the 5+5 year term/option period to be acceptable and within market parameters for a tenancy of this nature.
Annual Reviews	<ul style="list-style-type: none"> The lease incorporates annual reviews of 3.5% at the anniversary of the commencement date. Based on the available evidence, the majority of the deals being transacted are being struck with reviews in the vicinity of 3%-4%. We consider the 3.5% annual reviews to be within market parameters for an acceptable review method.
Market Review	<ul style="list-style-type: none"> We note the lease is not reviewed to market at the end of each term/exercise of option, which is generally common in arm's length leases, rather the lease is reviewed at the annual review of 3.5%. In addition to this there is a ratchet clause contained within the lease. Clause 2.5 stipulates that the Rent payable after the relevant Review Date must be equal to or more than the Rent payable immediately before that Review Date (disregarding any Rent abatement). We consider these two features to be favourable towards the landlord, and would not generally be in line with market terms for a standard market lease, which would generally adopt a market review at the lease option.
Incentives	<ul style="list-style-type: none"> We note the lease does not incorporate any outstanding incentives based on the lease documentation that has been provided. Based on the available evidence, incentives offered range from 2.1% to 12% net (1.9% to 8.5% gross), which are generally offered in the initial term of a new deal and not in lease renewals.

8 Rental Assessment

8.1 Introduction

- Overview**
- In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent leasing transactions of comparable properties (as previously detailed).
- Assessment Approach**
- Direct Comparison.

8.2 Market Rent Adopted

- Market Rent Adopted**
- As detailed earlier, relevant car showroom rental evidence from Metropolitan Sydney reflects a range of \$242 to \$934 per square metre gross.
 - Based on the available evidence, we have adopted a market rental range of \$240-\$300 gross psm of lettable area for the subject tenancy. We consider the assessed passing rental of \$192 gross psm to be below market parameters for a property of this nature. We have adopted a market rental of \$250 gross psm of lettable area for the subject tenancy, which equates to the semi gross rent stipulated below:

Market Income Assessment

Demised Premises	Tenant	Area (sqm)	Rate \$psm	Market Rent (\$pa)
Ground Floor	Autosports Leichhardt Pty Ltd	5,540.0	\$250 \$psm pa	\$1,385,000
Combined Gross Market Rental		5,540.0	\$250 \$psm pa	\$1,385,000
Less Outgoings		5,540.0	(\$49) \$psm pa	(\$271,791)
Semi Gross Market Income		5,540.0	\$201 \$psm pa	\$1,113,209

8.3 Market Rent Assessment

- Key Considerations**
- We consider that key factors influencing the rent for the subject premises include:
 - Above average exposure given the extensive street exposure Parramatta Road.
 - Good quality ancillary workshop accommodation with for a property of this type.
 - The market rental assessed herein has been undertaken on an annual net rental basis. In addition to the rent the lessee is responsible for property outgoings and GST.

- Market Rental Value**
- We have assessed the Market Rental Value as follows:

\$201 semi gross per square metre

\$1,113,209 semi gross per annum

(One Million, One Hundred and Thirteen Thousand, Two Hundred and Nine Dollars)

- This assessment is exclusive of GST.

We are not tax experts and have not been provided with tax or legal advice. The Reliant Party must make its own enquiries if they consider that GST applies.

9 Qualifications

The report must be read in accordance with and subject to the following qualifications:

Market Movement	Values vary from time to time in response to changing market circumstances. The assessment is based on available information as at the date of assessment. No warranty can be given as to the maintenance of this value into the future. Therefore, it should be reviewed periodically.
Extent of Investigations	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions	Assumptions are a necessary part of undertaking assessments. CBRE adopts assumptions for the purpose of providing assessment advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the assessment contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the assessment are incorrect, then this may have an effect on the assessment.
Information Supplied By Others	This document contains information which is derived from other sources. Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for assessment purposes or not. Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own. Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar assessment/consultancy service. The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the assessment is incorrect, then this may have an effect on the assessment.
Future Matters	To the extent that the assessment includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Industry Practice	Subject to the assumptions and qualifications detailed within, this assessment report is issued in accordance with the Australian Property Institute Valuation and Property Standards (ISBN 0-9975414-0-1) and International Valuation Standards (ISBN 978-0-9569313-0-6). Where these are at variance, the assumptions and qualifications included within this assessment report will prevail generally, and the International Valuations Standards will prevail over the Australian Property Institute Valuation and Property Standards.

A. Letter of Engagement

For personal use only

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

CBRE Valuations Pty Limited
ABN 15 008 912 641

Level 21, 363 George Street
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12 October 2021

David McCourt,
Partner, Corporate Finance
BDO
Level 11, 1 Margaret Street
Sydney NSW 2000
AUSTRALIA

Email: David.McCourt@bdo.com.au

Dear David,

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW.

Thank you for your recent request for a quote to prepare market rental/lease advice for the above properties.

PROJECT BRIEF

BDO is seeking market rental and lease advice relating to seven (7) properties which are occupied under Related Party Lease arrangements. BDO is seeking to understand if the passing rentals and lease terms are within market parameters, and BDO is requesting advice relating to market rentals and lease terms for the subject properties. The seven properties are listed as follows:

Location	Lessor	Term (including any options to extend)	Expiry	Does it contain a change of control provision?
49-51 Church St, Parramatta, NSW	Betar Prestige Cars Pty Ltd ACN 118 667 913	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
13 Church St, Parramatta, NSW	Audi Parramatta Properties 2 Pty Ltd ACN 159 385 494	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
34-36 Spencer St, Five Dock, NSW	Autohaus Prestige Five Dock Pty Limited ACN 123 958 878	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
3-7 Parramatta Rd, Five Dock, NSW	GFB Properties Pty Limited ACN 118 556 684	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
531 – 571 Parramatta Rd, Five Dock, NSW (first floor showroom)	Autosports Properties Leichhardt Pty Limited ACN 161 513 131	Initial term – 10 years Lessee has two options to renew for 5 years.	30 June 2026	Yes
531 – 571 Parramatta Rd, Five Dock, NSW (excluding first floor showroom)	Autosports Properties Leichhardt Pty Limited ACN 161 513 131	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
Unit C, 2 Packard Ave, Castle Hill, NSW	Autohaus Prestige Five Dock Pty Limited ACN 123 958 878	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

The properties and leases will be assessed at the date of assessment on the following basis:

- Market Rental Value and Lease Term Advice – Subject to Existing Occupancy Arrangements.

The reports will be prepared strictly and only for the use of the reliant party and for the purpose specifically stated, which we understand to be:

- BDO for market rental advisory purposes only.

Whilst the report will be prepared for reliance by BDO only, we have been requested by BDO to provide consent to our report being included with BDO's Expert Report to be sent to Autosports Group. We therefore consent to our report being included with BDO's Expert Report and sent to Autosports Group for information purposes only.

We do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of assessment, or such earlier date if the reliant party becomes aware of any factors that may have an effect on the assessment.

Outlined below is our fee proposal for provision of the valuation advisory services outlined in the letter of engagement ("the Services") and attached are our standard terms and conditions. If accepted by you, this letter and attachments will form the terms of engagement between BDO ("Instructing Party") and CBRE Valuations Pty Limited ("CBRE", "the Company" or "we").

PROVISION OF INFORMATION

Refer to Attachment 3 for our information request. Please note that this request is not exhaustive and can be amended or updated by CBRE from time to time. If you do not provide any part of the information requested for whatever reason, we may include limiting conditions to our valuation service as necessary (including limitations on reliance).

We require a minimum period of 10 working days ("Minimum Time Frame") from the date of inspection/receipt of all information to complete our valuation. The Minimum Time Frame is subject to your co-operation to provide all requested information (see Attachment 3) in a timely manner. Any delay in providing the information may necessitate re-inspection of the property and relevant sales evidence (to be determined at our sole discretion) and will be subject to the Additional Fee rate, unless otherwise agreed in writing.

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

CONFLICT OF INTEREST

You acknowledge that CBRE is a large, multi-national company providing a variety of services to clients. If either party becomes aware of an actual or potential conflict of interest, it will notify the other party as soon as is reasonably practicable thereafter, and the parties will work together to attempt to resolve any such actual or potential conflict.

CANCELLATION POLICY

If you decide for whatever reason to cancel the valuation brief, the following cancellation fees will apply:

- Before property inspection: \$500 + \$50 GST = \$550 (minimum cancellation fee)
- After property inspection: 100% Disbursements + 50% Base Fee
- After issue of report (final or otherwise): 100% Disbursements + 100% Base Fee

CBRE is to provide the services as set out in accordance with the terms of engagement. Notwithstanding anything else contained in the terms of engagement, CBRE reserves its right to terminate the engagement in its absolute discretion where it considers that:

- a conflict of interest arises (notwithstanding the clause 'conflict of interest', above);
- any terms are changed by the instructing party or reliant party that CBRE considers substantially changes the engagement; or
- any other reason that CBRE is unable to continue carrying out the engagement.

Such termination will be notified in writing to the instructing party (or any other party as necessary) and will be without recourse.

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

TERMS OF PAYMENT

Our invoice will be forwarded at the commencement of the assignment, with the fee to be paid prior to the release of the reports.

Our fee quote is valid for a period of 14 days from the above date.

Should you elect to pay your account via direct deposit, please advise us and we will issue you with your tax invoice along with our bank account details. (Please use the tax invoice number as your direct deposit reference number.)

Please complete the Billing Party and Reliant Party details below as acknowledgement and acceptance of the Terms of Engagement.

We thank you for the opportunity to submit our proposal.

Yours sincerely
CBRE Valuations Pty Limited




Mark Skeed
Registered Valuer No. 6028
Senior Director
Valuation & Advisory Services

Liability limited by a scheme approved under Professional Standards Legislation.

Billing Party Details


* Authorised Representative

Company: BDO Corporate Finance (East Coast) Pty Ltd
Name*: David McCourt
Signature*: 
Title*: Director
Date: 13/10/2021

The valuation and valuation service is provided subject to:

1. All issues, assumptions, disclaimers, qualifications and recommendations as outlined in the advice/report provided. Examples are provided in Attachment 1 and may differ in the report.
2. The "CBRE Valuation & Advisory Services Terms and Conditions" set out in Attachment 2.
3. Compliance with the "Information Request" and Client disclosure set out in Attachment 3.

BILLING PARTY (name in full):	<u>BDO Corporate Finance (East Coast) Pty Ltd</u>
Billing Party Address:	<u>L11, 1 Margaret St, Sydney NSW 2000</u>
Billing Party ABN (must be provided):	<u>70 050 038 170</u> / /
Client Email:	<u>david.mccourt@bdo.com.au</u>
Client Telephone:	T: () M: <u>0414 018 317</u>

RELIANT PARTY (name in full):	<u>BDO Corporate Finance (East Coast) Pty Ltd</u>
Authorised Representative's Name:	<u>David McCourt</u>
Signature:	 Date: <u>13/10/2021</u>

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

Attachment 1. Sample of Assumptions, Disclaimers, Limitations, Qualifications

Assumptions	Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Flooding Caution	The quality, completeness and accuracy of flood mapping varies widely between localities and Councils. We have not verified, and make no representation as to the appropriateness, accuracy, reliability or currency of the flood mapping reviewed. The Reliant Party may wish to confirm the flood mapping information by obtaining an expert hydrologist's report. If further flooding data is obtained, we reserve the right to review and if necessary amend the valuation.
Site Survey Not Provided	We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor.
Site Conditions	We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise). Include last sentence if property has future redevelopment potential.
We Are Not Contamination Experts	Unless otherwise stated, we have assumed that the site is free of subsoil asbestos or any elevated levels of contaminants. We have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If any testing is undertaken to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
We Are Not Hazardous Material Experts	Unless otherwise noted, we have assumed that the improvements are free of asbestos and hazardous materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We have made no allowances in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If any testing is undertaken and the presence of any asbestos/hazardous materials on site is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess the valuation.
Liens	We have disregarded the presence of any mortgage or other financial liens pertaining to the property.
Title/Unregistered Interests	We have assumed that there are no further easements, unregistered interests or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a future title search is undertaken which reveals additional easements or encumbrances, CBRE should be consulted to reassess any effect on the value stated herein.
Planning Information	We assume information provided by the relevant responsible authority is current and accurate. We do not commission formal investigations to verify information provided to us.
Measurement of Lettable Areas	We have assumed that the floor areas provided have been calculated in accordance with the Property Council of Australia (PCA) Method of Measurement or as specifically instructed by the Instructing Party. Should the Reliant Party obtain a survey that reveals a variance in areas, then this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Valuation Analyses	In arriving at our opinion of value, we have employed industry recognised valuation methodologies. We have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties (as previously detailed).
Extent of Our Investigations	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Information Supplied by Others	This document contains information which is derived from other sources. Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for valuation purposes or not. Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own. Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar valuation/consultancy service. The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

Attachment 2. CBRE Valuation & Advisory Services – Terms & Conditions

These conditions form part of the Terms of Engagement provided by CBRE which confirms the scope of Services, the personnel providing those Services and the Company's charges for those Services.

Instructing Party's Obligation to Assist The Instructing Party agrees to provide all reasonable assistance to the Company to allow the Company to complete this instruction including all relevant documents and/or information the Instructing Party knows or ought reasonably to know will so assist the Company, at its own cost and in a timely fashion, including but not limited to:

- all information which the Company requests from time to time for the performance of the Services;
- reasonable access to the property/properties and to the Instructing Party's premises (if relevant) for the purpose of providing the Services.

Matters Which Affect or May Affect the Valuation If the Instructing Party and/or Reliant Party become aware of any matters which affect or may affect the valuation, then the Company must be advised of those matters. Reliance will not be placed on the valuation, under any circumstance, unless all such matters are discussed to the Company.

CBRE Does Not Assign Valuations The Company does not assign valuations. If the Instructing Party has not determined the Reliant Party and Purpose details by the time of report finalisation, the report will be addressed and issued to the Instructing Party for Financial Reporting purposes in PDF format only. Once the Reliant Party and Purpose details have been advised to us, the report will be re-addressed and issued to the Reliant Party. This additional service may incur an additional fee (refer to Fee Quote). No responsibility will be accepted or assumed to any third party who may use or rely on the whole or any part of the content of our valuation.

Confidentiality Any valuation service is confidential as between the Company and the Reliant Party as specifically stated in the valuation advice/report. Neither the whole of the report, nor any part of it, may be published in any document, statement, circular or otherwise by any party other than the Company, nor in any communication with any third parties, without the prior written approval of the Company of the form and context in which it is to appear.

Future Change in Value All valuations are current as at the date of valuation only. The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). The Company does not accept liability for losses arising from changes in value after the date of the valuation.

Lending Practices Where the valuation is prepared for First Mortgage Security purposes, it will be provided on the basis that any associated lending must comply with the Banking Act 1959; follow prudent finance industry lending practices and credit risk for any potential borrower including the borrower's ability to service and repay any mortgage loan; follow prudent loan to value ratio guidelines. No responsibility is accepted where these requirements are not strictly observed.

Fees & Disbursements All disbursements, including travelling and other reasonable expenses incurred by the Company in the provision of the Services are fully recoverable from the Instructing Party as and when incurred.

All invoices are payable within 14 days of the date of invoice, unless otherwise stated in the Terms of Engagement. A late payment fee of 2% per month (or part thereof) for any overdue amount may be charged by the Company.

All legal and debt recovery costs which the Company may incur in recovering overdue account balances from the Instructing Party shall be fully recoverable from the Instructing Party as and when incurred.

Suspension of Services The Company has the right to suspend its engagement where the Instructing Party fails to pay any invoiced fees and disbursements within the required time frame, by giving the Instructing Party seven days' notice in writing. Should the engagement be suspended by the Company, all obligations by the Company to the Instructing Party cease and, furthermore, all documents that the Company receives from the Instructing Party prior to the engagement being suspended becomes the property of the Company and, unless otherwise agreed, the Company shall be free to use this information and to value the Property for any other party.

Once all outstanding invoices have been paid, the Company will at the request of Instructing Party, return documents owned by the Instructing Party within a reasonable time.

Electronic Communication If the Instructing Party asks the Company to send any documents by email, the Instructing Party will be deemed to have accepted the risk of (and the Company will have no responsibility for) the message being intercepted, not being received or not being viewed by the recipient.

If the Instructing Party asks the Company to provide the Instructing Party with a copy of a document by email or disk, the Company will do so on the basis that the Company does not warrant that the disk or email communication will be virus or defect free and on the basis that:

- the Company will not be responsible for any loss or damage sustained by the computer system which reads the disk or email; and
- precautions will be taken by the Instructing Party to ensure that the disk or email does not cause any loss or damage.

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

Copyright

Copyright in any written work, drawing, compilation, table, graph and similar works created by or on behalf of the Company remains with the Company.

Variation

The conditions can only be varied by agreement in writing by the Instructing Party and the Company.

Privacy

The Instructing Party acknowledges that the Company will collect certain personal information within the meaning of that term in the Privacy Act 1988 (Cth) ("Personal Information") from or about the Instructing Party to perform its obligations hereunder, including promoting its services.

Subject to clause c) below:

- the Company will only collect, store, use and disclose Personal Information in accordance with the Company's privacy policy as it applies from time-to-time located at Privacy Policy and Privacy Statement; ("Privacy Policy") and as permitted under the Privacy Act 1988 (Cth) in order to perform its duties under this Agreement and achieve the purposes specified in clause above; and
- the Instructing Party warrants that it has read and understood the Company's privacy policy and consents to the Company handling the Personal Information in the manner specified in this clause. Without limiting the foregoing, the Instructing Party specifically consents to the disclosure of the Personal Information on the internet and to third parties such as advisors, suppliers, property data service providers, government and statutory bodies and financial institutions.
- Where the Instructing Party has indicated in writing that the Personal Information is confidential, the Company will only disclose the Personal Information to a third party (other than a related body corporate of the Company) with the Instructing Party's written consent or as required by law, an order of the court or request by a government authority, or otherwise for the purposes of obtaining financial or legal advice. The obligation of confidence by the Company will end upon the confidential information becoming publicly available other than by a breach of this obligation of confidence by the Company.
- The Instructing Party must not provide the Company with Personal Information of any other individual unless it has the express consent of that individual to do so. The Instructing Party warrants that it has that individual's consent to provide their Personal Information to the Company.

Limitation of Liability

Liability limited by a scheme approved under Professional Standards Legislation.

The Company accepts no responsibility or liability whatsoever for the Services unless full disclosure of all information likely to affect the valuation has been made.

Conditions, warranties or other rights for the Instructing Party's benefit may be implied or given in respect of these terms and conditions by Competition and Consumer Act 2010 (Cth), the Fair Trading Act 1986 (NZ) (as relevant) or other laws. Where it is not lawful or possible to exclude them, then those conditions, warranties or other laws apply but only to the extent required by law.

All other implied conditions, warranties and rights together with any implied by custom or other circumstances are excluded.

The Company limits its liability for breach of any implied condition, warranty or right to the extent allowed by law. Subject to the qualifications in the Competition and Consumer Act 2010 (Cth) or in other laws, the Company's liability for any breach of any such implied condition, warranty or right is limited in the case of services supplied to the level of the fees.

To the full extent permitted by law, neither party will have any liability to the other (whether arising in contract, tort (including negligence), statute, equity or otherwise) for Excluded Loss under or arising out of this engagement. "Excluded Loss" means any: (a) loss of revenue, use, production, goodwill, profit, income, business, contract or anticipated savings, (b) financing costs or increase in operating costs, or (c) other financial or economic loss or any other special or indirect loss or damage (excluding any losses and damages to the extent arising naturally according to the usual course of things from the relevant conduct or breach).

Entirety of Terms of Engagement

The Engagement Letter in terms of engagement, subject to any qualifications, conditions, assumptions, and reservations set out in any report or opinion furnished to you:

- Constitutes the entire understanding and agreement of the parties relating to the matters dealt within in;
- Supersedes and extinguishes all prior agreements, statements, representations and understandings whether verbal or written between us relating to the matters dealt with in this Engagement Letter; and
- May be varied at any time by mutual agreement in writing.

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

Attachment 3. Information Request

COMMERCIAL PROPERTY

TENANCY DETAILS

	Client Provided	Client Not Available
1. Contact details to arrange inspection and to access requested information	<input type="checkbox"/>	<input type="checkbox"/>
2. Copy of current tenancy schedule	<input type="checkbox"/>	<input type="checkbox"/>
3. Current income and expenditure budget	<input type="checkbox"/>	<input type="checkbox"/>
4. Miscellaneous income report (e.g. telecom towers, storage, signage etc.)	<input type="checkbox"/>	<input type="checkbox"/>
5. Access to lease documents (preferably on USB with all leases in PDF format)	<input type="checkbox"/>	<input type="checkbox"/>
6. Side agreements	<input type="checkbox"/>	<input type="checkbox"/>
7. Schedule of outstanding tenant incentives	<input type="checkbox"/>	<input type="checkbox"/>
8. Outstanding rental abatements	<input type="checkbox"/>	<input type="checkbox"/>
9. Arrears report	<input type="checkbox"/>	<input type="checkbox"/>
10. Tenancy disputes	<input type="checkbox"/>	<input type="checkbox"/>
11. Schedule of expansion and contraction rights (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>

OUTGOINGS

12. Actual audited outgoings - previous 2 years	<input type="checkbox"/>	<input type="checkbox"/>
13. Budgeted outgoings - current year	<input type="checkbox"/>	<input type="checkbox"/>
14. Schedules detailing how recoverable outgoings for each tenant are calculated	<input type="checkbox"/>	<input type="checkbox"/>
15. Copy of Land Tax Notice	<input type="checkbox"/>	<input type="checkbox"/>
16. Copy of current Rates Notices including water charges	<input type="checkbox"/>	<input type="checkbox"/>
17. Car Park Levy Statement (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>

BUILDING – CONDITION AND REPAIR

18. Surveyed building plans (if available)	<input type="checkbox"/>	<input type="checkbox"/>
19. Capital expenditure forecast	<input type="checkbox"/>	<input type="checkbox"/>
20. Façade report	<input type="checkbox"/>	<input type="checkbox"/>
21. Mechanical services lifecycle report	<input type="checkbox"/>	<input type="checkbox"/>
22. Hazardous building materials audit (asbestos etc.)	<input type="checkbox"/>	<input type="checkbox"/>
23. Essential services register	<input type="checkbox"/>	<input type="checkbox"/>
24. Any other building reports that may have been commissioned	<input type="checkbox"/>	<input type="checkbox"/>
25. Copy of Certificate of Classification (Occupancy Certificate) if available	<input type="checkbox"/>	<input type="checkbox"/>
26. Planning permits (proposed or current) if applicable	<input type="checkbox"/>	<input type="checkbox"/>
27. NABERS and BEEC Certificate	<input type="checkbox"/>	<input type="checkbox"/>

OTHER INFORMATION

28. Title references/Title particulars	<input type="checkbox"/>	<input type="checkbox"/>
29. Details of proposed/pending resumption of part of the property by any authority	<input type="checkbox"/>	<input type="checkbox"/>
30. Detail disputes with neighbouring properties over boundary or encroachment issues	<input type="checkbox"/>	<input type="checkbox"/>
31. Appeal status regarding current Site Value	<input type="checkbox"/>	<input type="checkbox"/>
32. Formal flood report and/or any known flooding information	<input type="checkbox"/>	<input type="checkbox"/>
33. Formal site contamination or other environmental reports	<input type="checkbox"/>	<input type="checkbox"/>

DISCLOSURE

34. Underground fuel tanks and integrity tests if applicable	<input type="checkbox"/>	<input type="checkbox"/>
35. Any form of contamination to land and/or buildings	<input type="checkbox"/>	<input type="checkbox"/>
36. Tenancy disputes	<input type="checkbox"/>	<input type="checkbox"/>
37. Unregistered interests/instruments	<input type="checkbox"/>	<input type="checkbox"/>
38. Previous site use (property history)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
39. Any other relevant information which could affect the value of the property	<input type="checkbox"/>	<input type="checkbox"/>

CBRE VALUATION & ADVISORY SERVICES

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CBRE VALUATION & ADVISORY SERVICES

Market Rental Assessment

Volkswagen Castle Hill

Unit C, 2 Packard Avenue, Castle Hill NSW 2154

15 October 2021

BDO Corporate Finance (East Coast) Pty Ltd

CBRE

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TENANCY



Packard Avenue Elevation



Aerial Image (Source: NSW Sixmaps)

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1 Market Rental Assessment Summary

INSTRUCTIONS/RELIANCE

Instructing Party	David McCourt, BDO Corporate Finance (East Coast) Pty Ltd Level 11, 1 Margaret Street, Sydney NSW 2000
Reliant Party/Purpose	BDO Corporate Finance (East Coast) Pty Ltd for market rental advisory purposes only.
Interest Valued	Market rental value of the Leased Premises (stated below) as at 15 October 2021.

PREMISES

Leased Premises	Unit C, 2 Packard Avenue, Castle Hill NSW 2154
Legal Description	Part of Lot 12 in Deposited Plan 710466
Lessor	Autohaus Prestige Fivedock Pty Limited
Lessee	Autosports Castle Hill Pty Ltd
Brief Description – Leased Premises	The subject property (Unit C) comprises a two-level showroom unit situated nearest to the Packard Avenue/Victoria Avenue corner, and provides two levels of modern showroom accommodation (refurbished 2014) with tilt door entry, roller shutter entry and features vehicle lift.
Brief Description – Parent Building	The parent building comprises a circa 1980/1990s, multi-unit showroom/office development situated on a slightly irregular shaped corner allotment fronting Packard Avenue and Victoria Avenue, and is set slightly below street level. The parent development comprises six separate units with five used as showroom/office/warehouse units (Units A, B, D, E and F) and one being used as a showroom (Unit C). Lettable Area: 1,784 square metres Car Parking: 18 allocated on grade car parking spaces

MARKET RENTAL ASSESSMENT

Date of Assessment	15 October 2021
Date of Inspection	15 October 2021
MARKET RENTAL VALUE	\$290 per square metre \$513,793 per annum (Five Hundred and Thirteen Thousand, Seven Hundred and Ninety Three Dollars) This assessment is exclusive of GST.

Valuer	 Thomas Webster AAPI Associate Director Valuation & Advisory Services Inspection – Yes
Co-Signatory**	 Mark Skeed Senior Director Valuation & Advisory Services Inspection – No

** The Co-Signing Director/Peer or Quality Assurance Reviewer confirms having reviewed the valuation methodology and calculations, however the opinion of value expressed has been arrived at by the Principal Valuer alone.

Conditional Terms	This summary must not be read independently of the rental assessment report in its entirety. This rental assessment is subject to all content, assumptions, disclaimers, qualifications and recommendations throughout the report. The report is prepared for the use of and reliance by the Reliant Party only and limited only to the Purpose specifically stated. No responsibility is accepted or assumed to any third party for the whole or any part of the report.
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Liability limited by a scheme approved under Professional Standards Legislation.

2 Reliance & Reporting

2.1 Reliance & Liability

Liability	▪ Liability limited by a scheme approved under Professional Standards Legislation.
Reliance	▪ This assessment is strictly and only for the use of the Reliant Party and for the Purpose specifically stated in the Instructions section.
Confidentiality	▪ This assessment is strictly confidential between CBRE and the Reliant Party.
Transmission	▪ Only an original report received by the Reliant Party directly from CBRE without any third party intervention can be relied upon.
Restricted	▪ No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this report.
Copyright	▪ Neither the whole nor any part of the content of this report may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.
Value Subject To Change	▪ This assessment is current as at the date of rental assessment only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movement or factors specific to the particular property). For the avoidance of doubt, this may include global financial crises or force majeure events. We do not accept liability for losses arising from such subsequent changes in value.
Reliance Period	▪ We do not assume any responsibility or accept any liability in circumstances where this rental assessment is relied upon after the expiration of 90 days from the date of report, or such earlier date if the Reliant Party becomes aware of any factors that have any effect on the assessment.
Disclosure	▪ CBRE must be advised in the event that the Reliant Party becomes aware of any changes relating to the information and advice provided by the Instructing/Reliant Party during the Reliance Period. This includes, without limitation, any changes to information and advice provided in relation to encumbrances, registered/unregistered interests, title, and land area/dimensions. In any such event, this assessment must not be relied upon without consulting CBRE first to reassess any effect on the rent.
Valuer's Interest	▪ We hereby certify that the Principal Valuer is suitably qualified and authorised to practise as a valuer; has at least 5 years of continuous experience in valuation; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper assessment of the property; and accepts instructions to value the property only from the Responsible Entity/Instructing Party.

2.2 Market Value Definitions

Market Rent Definition	▪ In accordance with the International Valuation Standard, the definition of market rent is as follows: "The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."
------------------------	--

2.3 Critical Assumptions

Our assessment is subject to the following critical assumptions:

Lettable Areas	▪ The floor areas adopted are based on measurements taken by CBRE. We have not been provided with lettable area survey reports. Lettable areas adopted herein have been derived from our onsite measurements taken at the date of inspection. We reserve the right to reconsider our findings in the event of a survey being completed in accordance with the Property Council of Australia's Method of Measurement, indicating differing areas from those adopted herein.
----------------	--

Outgoings

- Upon request, we have not been provided with the current outgoing and therefore adopted an amount which we consider to be in line with market parameters, given the location and use of the current improvements. Should the actual outgoing differ significantly, then this report should be returned for comment and/or re-assessment.
- As per the lease document provided, the tenant is responsible for paying 100% of the council rates, water rates, land tax and building insurance. We note that the tenancy is part of a larger development and therefore we have apportioned the total parent developments outgoing having regard to the size and use of the tenancy, which we consider to be in the vicinity of 30-40% of the total outgoing. Should subsequent information be provided indicating differing amounts for the recoverable outgoing, then this report should be returned for comment and/or re-assessment.

3 Location

Locality

- Located in the suburb of Castle Hill, approximately 31.2 kilometres north-west of the Sydney CBD.
- Situated on the northern side of Packard Avenue, approximately 100 metres west of its intersection with Victoria Avenue, and approximately 250 metres east of its intersection with Hoyle Avenue.

Surrounds

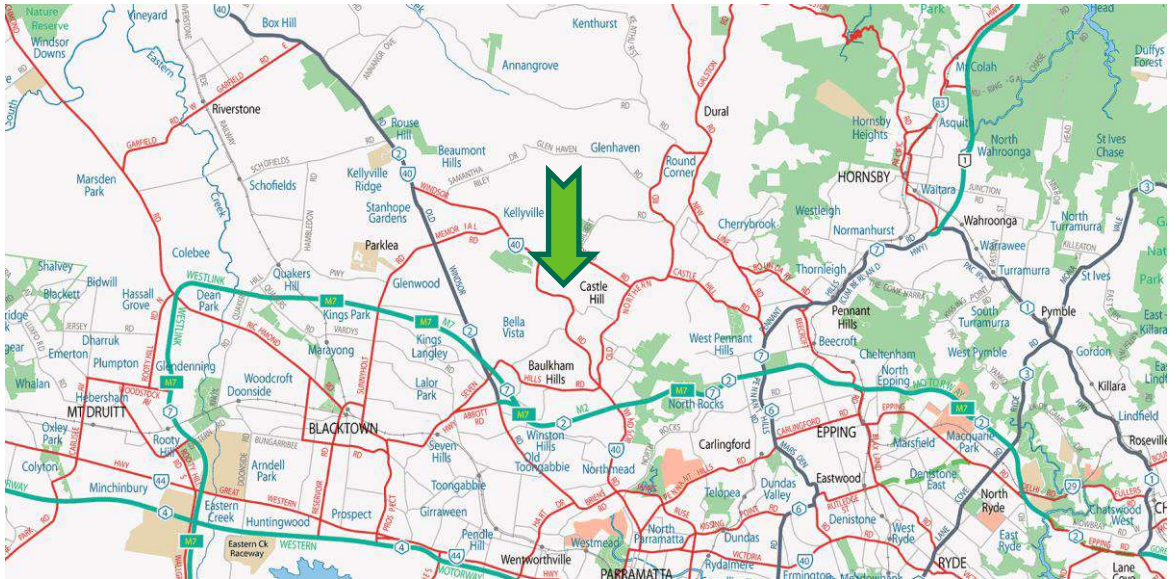
- Predominantly industrial buildings and showrooms interspersed along both sides of Packard Avenue.

Transport/Roads

- The Hills Showground Metro Station is situated approximately 1.6 kilometres by road north-east of the subject property.

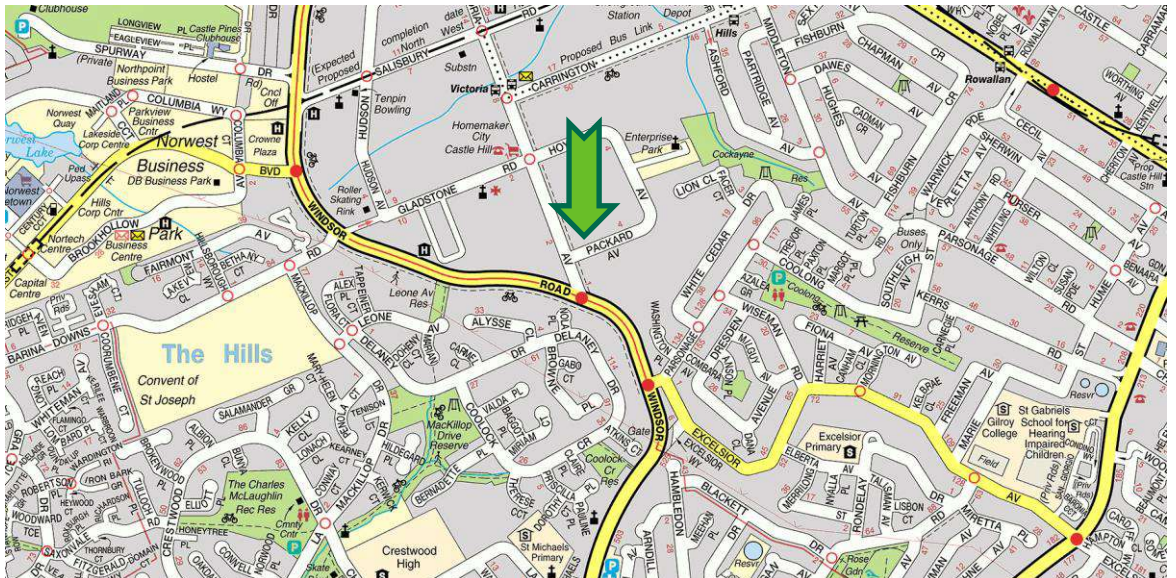
Regional Map

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Local Map

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4 Premises

4.1 Property Description

Overview

- The subject property comprises a two level strata titled showroom unit situated within a circa 1980/1990s, multi-unit showroom/office development situated on a slightly irregular shaped corner allotment fronting Packard Avenue and Victoria Avenue, and is set slightly below street level. The parent development comprises six separate units with five used as showroom/office/warehouse units (Units A, B, D, E and F) and one being used as a showroom (Unit C).

4.2 Leased Premises Description

Tenancy Position & Description

- Unit C comprises a two-level showroom unit situated nearest to the Packard Avenue/Victoria Avenue corner, and provides two levels of modern showroom accommodation (refurbished 2014) with tilt door entry, roller shutter entry and features vehicle lift. The layout is as follows:

Ground Floor

- Reception
- Open plan showroom accommodation
- Two tilt doors to the front of the building with a roller door to the rear of the building. The vehicle lift is positioned between the doors allowing drive through accessibility
- Store rooms
- Internal staircase to first floor

First Floor

- Reception
- Open plan showroom accommodation
- Partitioned offices
- Toilet amenities and staff kitchenette/meals area

Access & Exposure

- Unit C occupies the most prominent position within the parent development, situated in the southwestern corner having good exposure to Victoria Avenue and Packard Road, which both receive elevated levels of vehicular traffic for the locality.
- Access to the parent development is via two concrete driveways from Packard Avenue (one lane in and one lane out)

Configuration & Internal Finishes

- The tenancy is generally rectangular in shape.
- Finishes generally comprise a combination of tile and floating timber floor coverings, plasterboard lined walls and suspended grid ceilings with both suspended and recessed lighting and ducted air conditioning.
- The premises presents to a high quality standard.



Main Entrance



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Typical Accommodation



Front Car Yard



Rear of Property

Lettable Area

- Based on the on-site measurements taken at the date of inspection, the subject tenancy has a total lettable area of 1,774 square metres.

Car Parking

- 18 allocated on grade car parking spaces.

4.3 Condition & Utility

Overview

- The subject tenancy provides reasonably modern showroom accommodation, having been extensively refurbished circa 2014. Accordingly, we consider the subject property to be in good condition having regard to its age and the purpose for which it is used. The ground level component enjoys the benefit of prominent dual street frontages, with both levels receiving ample natural light and good exposure to passing traffic.

5 Current Lease Summary

5.1 Tenancy Schedule

TENANCY DETAILS			LEASE TERMS AND REVIEW INFORMATION						PASSING RENTALS						
Tenant	Accom. Type	Lettable Area sqm	Lease Term (yrs)	Comm. Date	Expiry Date	Next Rent Review	Next Review Type	Remaining Term (yrs)	Net/ Gross	Base Rent \$pa	\$psm	Outgoings Recovered \$pa	\$psm	Gross Passing Rent \$pa	\$psm
Autosports Castle Hill Pty Ltd	Showroom	1,774.0	5.0	1-Jul-21	30-Jun-26	1-Jul-22	3.50%	4.7	Net	513,793	290	89,048	50	602,841	340
Total		1,774.0								513,793	290	89,048	50	602,841	340

5.2 Lease Overview

- Salient Lease Terms
- We have been provided with a copy of the current lease by the instructing party, the salient terms of which are detailed below:

Lease Summary

Lease Status	Copy of Executed Lease and Variation of Lease
Premises	Unit C, 2 Packard Avenue, Castle Hill (Part of Folio Identifier 12/DP710466)
Lessor	Autohaus Prestige Fivedock Pty Limited
Lessee	Autosports Castle Hill Pty Ltd
Commencement Date	1 July 2021
Expiry Date	30 June 2026
Initial Term	5 years
Option Period/s	5 years
Lettable Area	Not stipulated within lease
Commencement Rental	\$513,793 semi gross per annum (\$290 semi gross per square metre)
Annual Rental	\$513,793 semi gross per annum (\$290 semi gross per square metre)
Reviews	3.5% increases on each anniversary of the commencement date of the lease
Outgoings	Lessee is responsible for 100% of the following outgoings: <ul style="list-style-type: none"> Council rates Land tax Water rates Building insurance
Permitted Use	Car showroom and vehicle repair workshop. *Note the property does not incorporate any vehicle repair workshop areas and is currently being used solely as a car showroom.
GST Clause	All payments made under the terms of the lease are exclusive of GST
Make Good	The tenant must make good
Market Rent Review Criteria	We note that Item 2 in the reference schedule does indicate any Market Review Dates, with rent to be reviewed at each anniversary of the Commencing Date irrespective of whether it's during the term or the commencement of an option period.
Rent not to Decrease (Ratchet Clause)	Clause 2.5 stipulates that the Rent payable after the relevant Review Date must be equal to or more than the Rent payable immediately before that Review Date (disregarding any Rent abatement).

5.3 Outgoings

Outgoings

- Upon request, we have not been provided with the current outgoings and therefore adopted an amount which we consider to be in line with market parameters given the location and use of the current improvements. Should the actual outgoings differ significantly, then this report should be returned for comment and/or re-assessment.

Recoverable Outgoings

- As per the lease document provided, the tenant is responsible for paying 100% of the council rates, water rates, land tax and building insurance. We note that the tenancy is part of a larger development and therefore we have apportioned the total parent developments outgoings having regard to the size and use of the tenancy, which we consider to be in the vicinity of 30-40% of the total outgoings. Should subsequent information be provided indicating differing amounts for the recoverable outgoings, then this report should be returned for comment and/or re-assessment.

OUTGOINGS SCHEDULE

Valuation Date: 15 October 2021

	Adopted (Budgeted)	
	Year Ending 30-Jun-22	
	\$pa	\$psm pa
Municipal/Council Rates	8,443	4.76
Water and Sewerage Rates	610	0.34
Land Tax	71,245	40.16
Insurance Premiums	8,750	4.93
Total Recoverable Outgoings	89,048	50.20

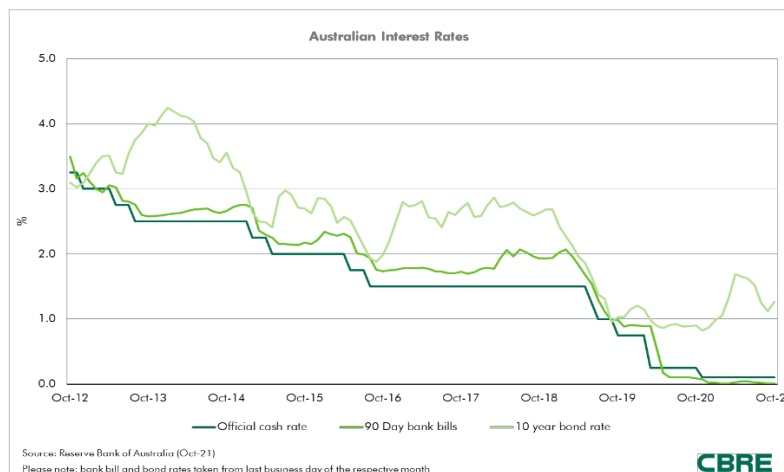
6 Market Commentary

6.1 Economic Overview

Australia

Source: Reserve Bank of Australia

- At its October meeting, the Reserve Bank of Australia's (RBA) Board decided to:
 - Maintain the cash rate target at 10 basis points and interest rate on Exchange Settlement balances at 0%.
 - Maintain the target of 10 basis points for the April 2024 Australian Government bond.
 - Continue to purchase government securities at the rate of \$4 billion a week until at least mid-February 2022.
- The Delta outbreak has interrupted the recovery of the Australian economy and GDP is expected to have declined materially in the September quarter. The outbreak is affecting many parts of the economy, but the impact is uneven, with some areas facing very difficult conditions while others are continuing to grow strongly.
- This setback to the economic expansion in Australia is expected to be only temporary. As vaccination rates increase further and restrictions are eased, the economy is expected to bounce back. Many businesses are now planning for the easing of restrictions and confidence has held up reasonably well. There is, however, uncertainty about the timing and pace of the bounce-back and it is likely to be slower than that earlier in the year. Much will depend on the nature and timing of the easing of restrictions on activity. In our central scenario, the economy will be growing again in the December quarter and is expected to be back around its pre-Delta path in the second half of next year.
- The restrictions on activity have had a significant effect on the labour market. Hours worked – the best indicator of labour market conditions at the moment – declined by nearly 4% in August. Looking forward, the RBA's business liaison and data on job vacancies suggest that many firms are seeking to hire workers ahead of the expected reopening in October and November.
- Wage and price pressures remain subdued in Australia. In underlying terms, inflation is running at around 1.75%; and wages, as measured by the Wage Price Index, are increasing at just 1.7%. While disruptions to global supply chains are affecting the prices of some goods, the impact of this on the overall rate of inflation remains limited.
- Housing prices are continuing to rise, although turnover in some markets has declined following the virus outbreak. Housing credit growth has picked up due to stronger demand for credit by both owner-occupiers and investors. The Council of Financial Regulators has been discussing the medium-term risks to macroeconomic stability of rapid credit growth at a time of historically low interest rates. In this environment, it is important that lending standards are maintained and that loan serviceability buffers are appropriate.
- The RBA's package of policies – including record low interest rates, the bond purchase program, the yield target and the funding provided under the Term Funding Facility – is providing substantial and ongoing support to the Australian economy. Borrowing rates are at record lows, sovereign bond yields are at very low levels and the exchange rate has depreciated over recent months. The fiscal responses by the Australian Government and the state and territory governments have also been providing welcome assistance in supporting household and business balance sheets.
- The RBA Board is committed to maintaining highly supportive monetary conditions to achieve a return to full employment in Australia and inflation consistent with the target. It will not increase the cash rate until actual inflation is sustainably within the 2% to 3% target range. The central scenario for the economy is that this condition will not be met before 2024. Meeting this condition will require the labour market to be tight enough to generate wages growth that is materially higher than it is currently.



6.2 Motor Vehicle Market

Overview

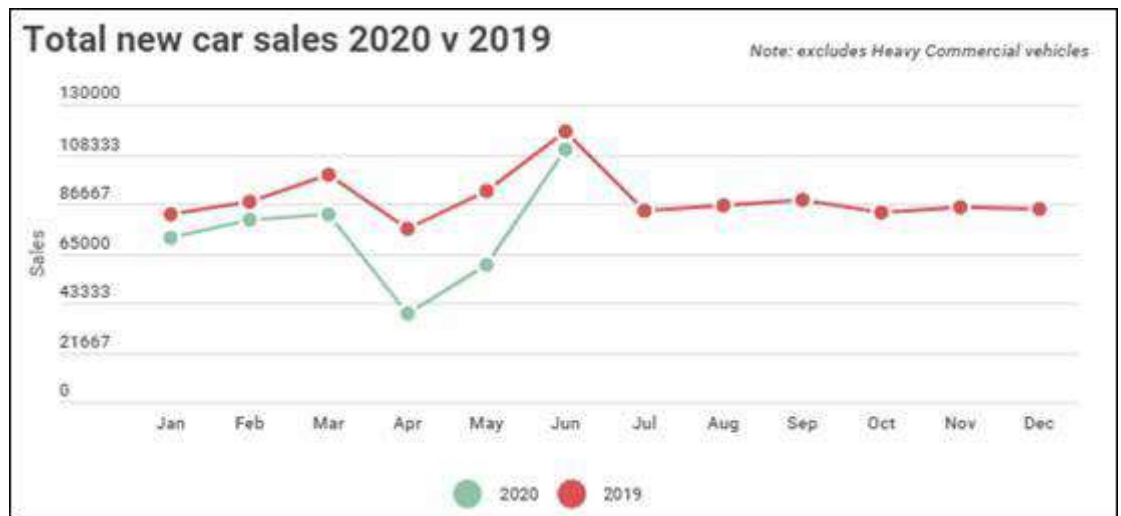
- Over the past few years there has been a distinct shift in the configuration of modern vehicle dealerships, particularly new car showrooms with double height display rooms; high quality internal fitouts; in-store cafes and customer lounge areas, both within the new car showroom and the service centre reception components, with other innovations being full customer service offerings; courtesy pick up and drop off of vehicles among others.
- Accordingly, there has been a growing distinction between new dealerships and existing older style dealerships. Either lessees or existing owner occupiers of older dealerships have had to spend considerable capital sums in upgrading the facilities not only to satisfy the customer but to meet the increasing requirements of the vehicle manufacturers who desire to have their product displayed in a contemporary facility of a specific branding standard.

Demand for facilities like the subject premises and sustainable rental levels are linked to the business success of operations in the car sales market. The success of these businesses often bears a strong relationship with general business prosperity and prevailing economic market conditions whereby consumer spending on luxury goods such as cars is generally impacted by the broader economy and more specifically the confluence of factors such as availability of finance, employment growth and trend for business profit which impacts the environment for discretionary spending on items such as cars.

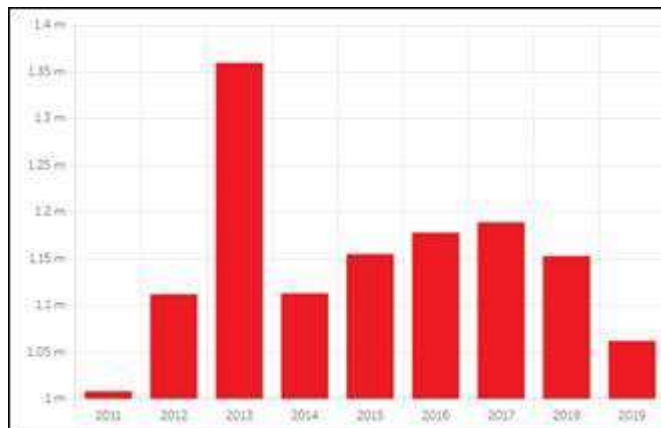
- As at January 2020, there were 5,779,039 total motor vehicles on register in New South Wales, approximately 12.9% more than Victoria and 37.4% more than Queensland. This equates to approximately 712 vehicles per 1,000 population, with the Northern Territory being the only state with a lower vehicle per capita ratio.
- Of the total vehicles on register, approximately 33% were manufactured between 2015-2020, 27% between 2010-2014, 20% between 2005-2009, and a further 20% up to 2004.
- Between 2015-2020, passenger vehicles on register in New South Wales experienced cumulative growth of 7% (4,050,873 vehicles 2015 vs 4,348,429 vehicles 2020), with this rate of growth trailing that experienced in the other major states of Victoria (11%) and Queensland (10%). Contrastingly, the total number of light commercial vehicles on register grew by 21% over this same period (776,171 vehicles 2015 vs 941,140 vehicles 2020), outpacing the rate of growth experienced in Victoria (15%) and Queensland (17%) respectively. Further, the number of campervans on register grew by 41% over this period to reach 19,601 vehicles as of January 2020.

New Car Sales

- The new car industry has been dealt a number of significant blows since the beginning of 2020 with a combination of bushfires in Victoria, US-China trade tensions and more significantly the impacts and fallout of the Covid-19 pandemic which is still having wide scale impacts to most of the world and the Australian economy (particularly as Victoria has re-entered Stage 3 restrictions and New South Wales is at risk of further restrictions).
- Historically, March has been the second biggest month of the year for new car sales given the lead-up to the end of the financial year, however as a result of Covid-19 and various impacts / restrictions (i.e. social distancing, finance applications being knocked back, buyer interest and the general state of the economy/consumer sentiment) there was a 17.9% drop in new car sales when compared to March 2019 (March 2020 was also the lowest March since the Global Financial Crisis). Unfortunately, the data for April was also negative with a drop in new car sales of 48.5%, the biggest decline the new car industry has seen in 30 years and largely attributed to the Covid-19 pandemic.
- In more positive news for the new car industry, new car sales in Australia performed better than expected in June, however notwithstanding the positive results for June, it was still the 27th consecutive month there was a slowdown in sales which is the longest slump since the Global Financial Crisis. The more positive than anticipated June was largely due to the easing of Covid-19 restrictions and lockdowns across the country, instant asset write off's and re-allocation of personal funds (i.e. customers are no longer taking holidays due to travel restrictions and some are re-deploying the cash to vehicles).
- The graph below shows the 2020 year to date in comparison to the 2019 calendar year, the strong June is clearly noted and in comparison, June 2019 is only marginally higher (total of 117,817 sales in June 2019 compared with 110,234 sales in June 2020). The results for July and August 2020 will be particularly telling for the car dealership industry as the economy continues to recover.

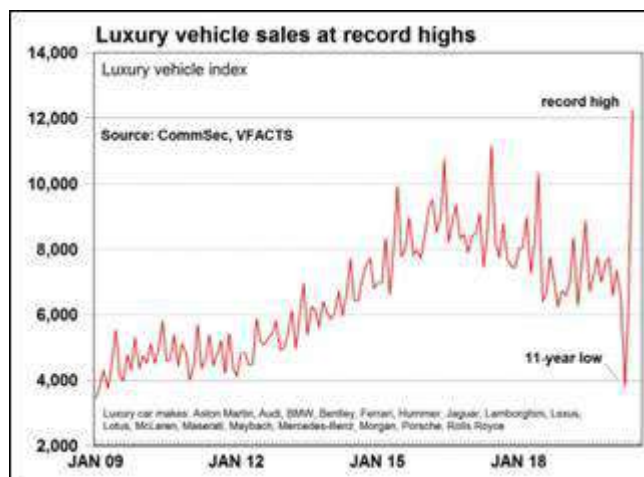


- We further detail below a graph which highlights the downward trend in new vehicle sales from 2018 onwards. Research indicates that new car sales are expected to continue to decline further in the coming years and again should be closely monitored.



Luxury Car Sales

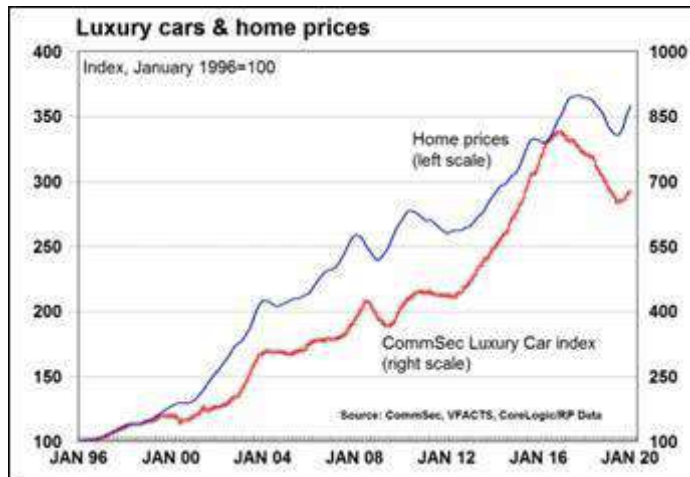
- A market study prepared by CommSec dated July 8 2020 highlighted that 12,235 luxury cars were sold in June (refer table below), which was almost double May and triple April (which was an 11 year low of vehicle sales). These brands typically included BMW, Bentley, Aston Martin, Audi, Mercedes Benz, Lexus and Porsche amongst others. The last luxury car peak occurred in December 2016 where approximately 11,000 vehicles were sold for the month. The graph below highlights the record month that was achieved and followed the 11-year low.



- A combination of low interest rates, end of financial year deals and instant asset write off's have all contributed to an increase in demand over the month of June. Additionally, the closure of borders and

inability to travel internationally has resulted in what would otherwise have been holiday expenditure and converted this to luxury vehicle purchases.

- Over the years, demand for vehicles has closely tracked the housing market, and typically when there has been a dip in house prices, not only the new car market but also the luxury car market has also mirrored this dip in demand for vehicles (as discretionary expenditure dips). This trend is explained due to the decrease in the 'wealth effect' and consumer sentiment (i.e. a direct result of the equity in a person's home decreasing). Research from the CommSec report identified that from July 2019 to February 2020 the luxury vehicle index rose exactly to match the gains in home prices (refer table overleaf), followed by a 2% drop in March and 2.9% drop in April where house prices also declined.



Outlook

- There is concern amongst the car dealership industry with electric cars evolving over time which may require far less maintenance due to fewer moving parts. With direct drive electric motors, only brakes and tyres may require regular servicing, resulting in a dramatic reduction in ongoing servicing revenue.
- Additional challenges are also arising from the rising costs of car maintenance and declining rates of car ownership. The number of cars per household fell from 1.58 in 2008 to 1.48 cars in 2018, and the cost of buying and maintaining a car jumped 66% in the 15 years to June 2019; outpacing CPI by 42% in the same period. High fuel prices and pressure on profit margins have added to these pressures. Unleaded petrol has cost an average 143 cents per litre in 2018-19. Millennials also seem to prefer to rely on existing public transport or ride-sharing companies such as Uber and Lyft causing further falls in car ownership.
- The introduction of autonomous vehicles may also result in far more ride-sharing, and even car-sharing, if consumer's mindset adapts to one where an autonomous car simply becomes another mode of transport supplementing existing public transport. This will result in further declines in car ownership and less sales at dealerships.

7 Market Evidence

7.1 Leasing Evidence

Overview

- We have had consideration to a number of leasing transactions from the wider Sydney Metropolitan Area, particularly being mindful of the use of the premises. Specific leasing transactions we have considered are detailed below.

Part Ground Floor & First Floor, 61-63 O'Riordan Street, Alexandria



Tenant	Scotts Honda	Rental pa	\$608,850 (net) \$789,250 (gross)
Lettable Area	2,255 sqm	\$ PSM Lettable	\$270 (net) \$350 (gross)
Site Area	-	\$ PSM Site	-
Comm. Date	May 2021	Term/Option	6+5+5 yrs
Incentive	8.3% net	Rent Reviews	3%

Description: Comprises a highly exposed office/warehouse/showroom facility situated at the south west intersection of O'Riordan Street and Doody Street, at Alexandria. The buildings improvements are modern in nature and are configured to provide ground floor showroom and service area together with first floor showroom, storage, wash bay and amenities. Car parking is provided on the rooftop and in the basement. Outgoings estimated at \$80psm.

Comparison: Superior location, larger lettable area. Overall considered to indicate a similar gross market rental rate psm of lettable area for the subject tenancy.

70 Lower Gibbes Street, Chatswood



Tenant	Tesla	Rental pa	\$1,140,750 (net) \$1,288,625 (gross)
Lettable Area	4,225 sqm	\$ PSM Lettable	\$270 (net) \$305 (gross)
Site Area	4,237 sqm	\$ PSM Site	\$305 (gross)
Comm. Date	November 2020	Term/Option	8+5+5 yrs
Incentive	12% net	Rent Reviews	3.5%

Description: A functional office/warehouse facility situated at the north west intersection of Lower Gibbes Street and Short Street, Chatswood. Arranged over two levels, the office component is positioned towards the Lower Gibbes Street frontage and extends to 2,269sqm (54% GLA). Presenting to a good standard, the office component features both open plan and partitioned areas together with full staff amenities and a good level of glazing providing excellent natural light. Situated to the rear, the warehouse component is irregular in nature and provides internal clearance between 6.7-8.1 metres. Access is via three on-grade roller shutter doors 6.0m high x 5.5m wide, all which benefit from canopy coverage for all weather loading. Ancillary improvements include a concrete hardstand component of approximately 600sqm, separate car/truck access points, well maintained site landscaping and secure basement car parking for approximately 83 vehicles. As advised by the leasing agent, the property was leased to Tesla on an initial 8-year term commencing November 2020 for the purpose of an automotive showroom.

Comparison: Similar location, larger lettable area. Overall considered to indicate a higher gross market rental rate psm of lettable area for the subject tenancy.

52 Sunnyholt Road, Blacktown



Tenant	Ozcar	Rental pa	\$200,000 (gross)
Lettable Area	476 sqm	\$ PSM Lettable	\$420 (gross)
Site Area	2,046 sqm	\$ PSM Site	\$98 (gross)
Comm. Date	August 2020	Term/Option	1+5 yrs
Incentive	Undisclosed	Rent Reviews	Increase of \$20,000 in Yr 2

Description: Comprises an established dealership located on Sunnyholt Road in Blacktown. The site is improved with a 476 sqm showroom/office which has been renovated in recent years. The front of the site incorporates a large hardstand component utilised as a vehicle display yard and access driveway. The property is co-located to other motor vehicle dealers in a medium size dealership cluster. Site coverage of 23%

Comparison: Inferior location, smaller lettable area. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

355-357 Pacific Highway, Artarmon



Tenant	Trivett Automotive Retail Pty Limited	Rental pa	\$720,000 (semi gross) \$800,702 (gross)
Lettable Area	2,012 sqm	\$ PSM Lettable	\$358 (semi gross) \$398 (gross)
Site Area	2,116 sqm	\$ PSM Site	\$379 (gross)
Comm. Date	April 2020	Term/Option	2+5 yrs
Incentive	Nil	Rent Reviews	4%

Description: A circa 2000s, two storey showroom situated on the southern corner of the Pacific Highway intersection with Whiting Street. Features approximately 1,814 sqm of showroom accommodation with good exposure to Pacific Highway, mezzanine office accommodation of approximately 198 sqm and lower level secure parking for 35 cars. Tenant responsible for paying council rates, water rates, land tax and building insurance which we have assessed at \$80,702 pa. Variation of lease AG930802 providing a considerable reduction in rent for the consideration of \$500,000.

Comparison: Superior location, larger lettable area, similar improvements and condition, superior parking component. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

36-38 Parramatta Road, Forest Lodge



Tenant	Kaizen Motors Pty Ltd	Rental pa	\$1,400,000 (net) \$1,570,000 (gross)
Lettable Area	6,500 sqm	\$ PSM Lettable	\$215 (net) \$242 (gross)
Site Area	3,022 sqm	\$ PSM Site	\$520 (gross)
Comm. Date	March 2020	Term/Option	10 yrs
Incentive	2.1% net	Rent Reviews	>CPI/3%

Description: Comprises a well-presented large, part three level showroom/automotive workshop facility situated on a slightly irregular shaped end allotment fronting Parramatta Road, Ross Street and Arundel Street. The property is configured to provide two levels of showroom accommodation and a lower level service centre with parking. In addition to this there is ample rooftop parking. Tenant responsible for paying council rates, water rates, land tax, building insurance and management which we have assessed at \$170,000 pa.

Comparison: Superior location, larger lettable area, similar improvements and condition. Overall considered to indicate a higher gross market rental rate psm of lettable area for the subject tenancy.

Unit 1, 13 Carrington Road, Castle Hill



Tenant	Sime Darby Motors Retail Australia Pty Ltd	Rental pa	\$304,800 (net) \$438,150 (gross)
Lettable Area	1,905 sqm	\$ PSM Lettable	\$160 (net) \$230 (gross)
Site Area	-	\$ PSM Site	-
Comm. Date	January 2020	Term/Option	10+5+5 yrs
Incentive	2.5% net	Rent Reviews	3%

Description: Comprises a functional office/warehouse facility situated on the northern alignment of Carrington Road, Castle Hill, approximately 280 metres east of its intersection with Victoria Avenue. The warehouse component features full height brick walls with access via two on-grade roller shutter doors positioned on the eastern elevation. First floor office accommodation is situated on the southern elevation of the facility with undercover car parking located below. The property benefits from excellent access to amenity being situated approximately 450 metres to the west of the Hills Showground Metro, 700 metres south west of Castle Hill Showground, 450 metres east of Castle Hill Homemaker Centre, 750m south east of Hills Super Centre and 2.6km west of Castle Towers Shopping Centre. Ancillary improvements include a single, dual width concrete driveway incorporating steel security gates, a good concrete hardstand component and basic site landscaping. The property was leased by Sime Darby Motors Retail Australia Pty Limited for the purpose of an automotive service centre. Structured on a net basis with the tenant to pay all outgoings which we have assessed to be \$70 psm.

Comparison: Slightly inferior location with inferior exposure, larger lettable area with a larger workshop component. Overall considered to indicate a higher gross market rental rate psm of lettable area for the subject tenancy

13 Blaxland Serviceway, Campbelltown



Tenant	4WD Super Centre	Rental pa	\$626,394 (gross)
Lettable Area	2,042 sqm	\$ PSM Lettable	\$307 (gross)
Site Area	3,800 sqm	\$ PSM Site	\$165 (gross)
Comm. Date	January 2020	Term/Option	7+5+5 yrs
Incentive	3.6% net	Rent Reviews	3.5%

Description: Comprises a well-presented large, open floor plan showroom with amenities and associated office accommodation. Primarily sell vehicle parts and accessories for 4WD motor vehicles. Previously utilised as a Mercedes Benz vehicle dealership. Incentive of 3 months net rent free with outgoings advised at \$57/m² p.a. Equates to \$510,000 net pa (\$250 net psm over building area and \$134 net psm over site area). Site Coverage 54%.

Comparison: Slightly inferior location, larger lettable area. Overall considered to indicate a higher gross market rental rate psm of lettable area for the subject tenancy.

47-53 Pacific Highway, Waitara



Tenant	Trivett Automotive Retail Pty Limited	Rental pa	\$425,000 (semi gross) \$500,000 (gross)
Lettable Area	932 sqm	\$ PSM Lettable	\$456 (semi-gross) \$537 (gross)
Site Area	1,435 sqm	\$ PSM Site	\$348 (gross equiv.)
Comm. Date	July 2019	Term/Option	5+5 yrs
Incentive	Nil	Rent Reviews	3.75%

Description: A part two level car showroom/service centre situated on a slightly irregular shaped inside allotment fronting Pacific Highway and benefiting from right of way access from Yardley Avenue. The property is configured to provide street level showroom with lower level workshop and features drive way accessible car yard from Pacific Highway.

Comparison: Superior location, smaller lettable area. Overall considered to indicate a lower gross market rental rate psm of lettable area for the subject tenancy.

632-636 Parramatta Road, Croydon



Tenant	Gillen Motors Pty Ltd	Rental pa	\$600,000 gross
Lettable Area	1,740 sqm	\$ PSM Lettable	\$345 (gross)
Site Area	3,909 sqm	\$ PSM Site	\$154 (gross)
Comm. Date	May 2018	Term/Option	3 yrs
Incentive	Undisclosed	Rent Reviews	Undisclosed

Description: The property consists of an older style, automotive retail facility consisting of a showroom, workshop and display hardstand, positioned to the southern side of Parramatta Road and northern side of Sophia Lane within an established automotive precinct in Croydon. Site coverage of 45%.

Comparison: Slightly superior location, smaller lettable area. Overall considered to indicate a similar gross market rental rate psm of lettable area for the subject tenancy.

375-377 Hume Highway, Liverpool



Tenant	Automotive Holdings	Rental pa	\$1,107,955 (gross)
Lettable Area	3,183 sqm	\$ PSM Lettable	\$348 (gross)
Site Area	7,683 sqm	\$ PSM Site	\$144 gross
Comm. Date	May 2018	Term/Option	15+5+5+5+5 yrs
Incentive	Undisclosed	Rent Reviews	Undisclosed

Description: The property consists of a modern, circa 2018, Mitsubishi automotive dealership and workshop and a Subaru service centre and workshop. The complex provides a service centre and features an external car display area to the Hume Highway frontage, and a centrally positioned showroom building with two level office component and a lower level workshop to the rear of the site. Equates to \$975,00 net pa (\$306 net psm over building area and \$127 net psm over site area). Site coverage of 41%.

Comparison: Similar location, larger lettable area with superior car yard area. Overall considered to indicate a similar gross market rental rate psm of lettable area for the subject tenancy.

291 Pacific Highway, Artarmon



Tenant	Scotts Honda	Rental pa	\$1,608,532 (semi gross) \$1,684,532 (semi gross)
Lettable Area	4,795 sqm	\$ PSM Lettable	\$335 (semi gross) \$351 (gross)
Site Area	1,719 sqm	\$ PSM Site	\$1,077 (gross)
Comm. Date	February 2018	Term/Option	5 yrs
Incentive	Undisclosed	Rent Reviews	>CPI/3%

Description: The property comprises a circa 1980, three storey car showroom, office and service centre, located on the corner of Pacific Highway and Carlotta Street, Artarmon within an established automotive precinct. The property includes a basement level of approximately 1,375 sqm (excluded from lettable area) with approximately 39 car spaces, a ground floor showroom (18pprox..1,365m²), level one service centre (18pprox..1,765m²) and level two office/car storage area (18pprox..1,665m²). There is an internal circular ramp which extends to all of the floors for vehicle access. Structured on a semi gross basis with the tenant to recover council rates, water rates, land tax and building insurance which we have calculated to be approximately \$76,000 pa.

Comparison: Superior location, larger lettable area with superior features. Overall considered to indicate a similar gross market rental rate psm of lettable area for the subject tenancy.

7.2 Leasing Evidence Conclusions

Overview

- The rental evidence above reflects a range of \$230 to \$537 gross per square metre gross.
- In assessing the semi gross market rent for the subject premises we have had regard to:
 - Comparable rentals
 - Automotive showroom use
 - Outgoings recovery
 - Prescribed criteria for determining market rental within the lease
 - Prevailing market conditions

Summary

- In assessing the market evidence we note the rental of Unit 1, 13 Carrington Road, Castle Hill is situated in a slightly inferior location providing a larger lettable area of comparable accommodation albeit with inferior exposure and a larger workshop component, which we consider to indicate a higher gross market rental rate psm of lettable area for the subject tenancy.
- We note the rental of Part Ground Floor & First Floor, 61-63 O'Riordan Street, Alexandria is situated in a superior location providing a larger lettable area of comparable accommodation, which we consider to indicate a similar gross market rental rate psm of lettable area for the subject tenancy.
- Based on the available evidence, we have adopted a gross market rental range of \$320-\$360 gross per square metre of lettable area for the subject tenancy. We consider the assessed passing rental of \$340 gross psm of lettable area to be within market parameters for a property of this nature.

7.3 Current Lease Terms Commentary

Overview

- The subject tenancy is currently leased to Autosports Castle Hill Pty Ltd with the lessor being Autohaus Prestige Fivedock Pty Limited. We have been advised by the instructing party that the lease is between related parties and have been instructed to comment on the terms of the lease.

Rental Structure

- The rental is structured on a semi gross basis, whereby the tenant is responsible for paying some of the outgoings for the property. In this instance, the tenant is liable for paying 100% of council rates, water rates, land tax and building insurance, which we have allowed for a proportionate rate due to the multi tenanted nature of the parent development.
- Based on the evidence provided above, car dealerships generally tend to be structured on a net basis or semi gross basis, with tenants liable for all or some of the outgoings applicable to the property.
- We consider the semi gross nature of the rental to be acceptable and within market parameters for a tenancy of this nature.

Term/Options

- The lease is structured on a 5+5 year term which commenced in July 2021. This appears to be a lease renewal, with the initial term commencing in July 2016.
- Based on the evidence provided above, car dealerships generally tend to be structured with an initial term of 5-10 years, which is generally succeeded with multiple option periods of 5 years.
- We consider the 5+5 year term/option period to be acceptable and within market parameters for a tenancy of this nature.

Annual Reviews

- The lease incorporates annual reviews of 3.5% at the anniversary of the commencement date.
- Based on the available evidence, the majority of the deals being transacted are being struck with reviews in the vicinity of 3%-4%.
- We consider the 3.5% annual reviews to be within market parameters for an acceptable review method.

Market Review

- We note the lease is not reviewed to market at the end of each term/exercise of option, which is generally common in arm's length leases, rather the lease is reviewed at the annual review of 3.5%.
- In addition to this there is a ratchet clause contained within the lease. Clause 2.5 stipulates that the Rent payable after the relevant Review Date must be equal to or more than the Rent payable immediately before that Review Date (disregarding any Rent abatement).

Incentives

- We consider these two features to be favourable towards the landlord, and would not generally be in line with market terms for a standard market lease, which would generally adopt a market review at the lease option.
- We note the lease does not incorporate any outstanding incentives based on the lease documentation that has been provided.
- Based on the available evidence, incentives offered range from 2.1% to 12% net (1.9% to 8.5% gross), which are generally offered in the initial term of a new deal and not in lease renewals.

8 Rental Assessment

8.1 Introduction

- Overview**
- In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent leasing transactions of comparable properties (as previously detailed).
- Assessment Approach**
- Direct Comparison.

8.2 Market Rent Adopted

- Market Rent Adopted**
- As detailed earlier, relevant car showroom rental evidence from Metropolitan Sydney reflects a range of \$230 to \$537 per square metre gross.
 - Based on the available evidence, we have adopted a gross market rental range of \$320-\$360 gross per square metre of lettable area for the subject tenancy. We consider the assessed passing rental of \$340 gross psm of lettable area to be within market parameters for a property of this nature. This equates to a semi gross rental as follows below:

Market Income Assessment				
Demised Premises	Tenant	Area (sqm)	Rate \$psm	Market Rent (\$pa)
Unit C	Autosports Castle Hill Pty Ltd	1,774.0	\$340 \$psm pa	\$602,841
Combined Gross Market Rental		1,774.0	\$340 \$psm pa	\$602,841
Less Outgoings		1,774.0	(\$50) \$psm pa	(\$89,048)
Semi Gross Market Income		1,774.0	\$290 \$psm pa	\$513,793

8.3 Market Rent Assessment

- Key Considerations**
- We believe that key factors influencing the rent for the subject premises include:
 - Exposure to Packard Avenue and Victoria Avenue.
 - Good quality showroom accommodation.
 - The market rental assessed herein has been undertaken on a semi gross basis. In addition to the rent the lessee is responsible for the property outgoings and GST.

- Market Rental Value**
- We have assessed the Market Rental Value as follows:

\$290 semi gross per square metre

\$513,793 per annum

(Five Hundred and Thirteen Thousand, Seven Hundred and Ninety Three Dollars)

- This assessment is exclusive of GST.

We are not tax experts and have not been provided with tax or legal advice. The Reliant Party must make its own enquiries if they consider that GST applies.

9 Qualifications

The report must be read in accordance with and subject to the following qualifications:

Market Movement	Values vary from time to time in response to changing market circumstances. The assessment is based on available information as at the date of assessment. No warranty can be given as to the maintenance of this value into the future. Therefore, it should be reviewed periodically.
Extent of Investigations	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions	Assumptions are a necessary part of undertaking assessments. CBRE adopts assumptions for the purpose of providing assessment advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the assessment contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the assessment are incorrect, then this may have an effect on the assessment.
Information Supplied By Others	This document contains information which is derived from other sources. Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for assessment purposes or not. Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own. Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar assessment/consultancy service. The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the assessment is incorrect, then this may have an effect on the assessment.
Future Matters	To the extent that the assessment includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Industry Practice	Subject to the assumptions and qualifications detailed within, this assessment report is issued in accordance with the Australian Property Institute Valuation and Property Standards (ISBN 0-9975414-0-1) and International Valuation Standards (ISBN 978-0-9569313-0-6). Where these are at variance, the assumptions and qualifications included within this assessment report will prevail generally, and the International Valuations Standards will prevail over the Australian Property Institute Valuation and Property Standards.

A. Letter of Engagement

For personal use only

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

CBRE Valuations Pty Limited
ABN 15 008 912 641

Level 21, 363 George Street
Sydney NSW 2000
T 61 2 9333 3333
mark.skeed@cbre.com.au
www.cbre.com.au

12 October 2021

David McCourt,
Partner, Corporate Finance
BDO
Level 11, 1 Margaret Street
Sydney NSW 2000
AUSTRALIA

Email: David.McCourt@bdo.com.au

Dear David,

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW.

Thank you for your recent request for a quote to prepare market rental/lease advice for the above properties.

PROJECT BRIEF

BDO is seeking market rental and lease advice relating to seven (7) properties which are occupied under Related Party Lease arrangements. BDO is seeking to understand if the passing rentals and lease terms are within market parameters, and BDO is requesting advice relating to market rentals and lease terms for the subject properties. The seven properties are listed as follows:

Location	Lessor	Term (including any options to extend)	Expiry	Does it contain a change of control provision?
49-51 Church St, Parramatta, NSW	Betar Prestige Cars Pty Ltd ACN 118 667 913	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
13 Church St, Parramatta, NSW	Audi Parramatta Properties 2 Pty Ltd ACN 159 385 494	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
34-36 Spencer St, Five Dock, NSW	Autohaus Prestige Five Dock Pty Limited ACN 123 958 878	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
3-7 Parramatta Rd, Five Dock, NSW	GFB Properties Pty Limited ACN 118 556 684	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
531 – 571 Parramatta Rd, Five Dock, NSW (first floor showroom)	Autosports Properties Leichhardt Pty Limited ACN 161 513 131	Initial term – 10 years Lessee has two options to renew for 5 years.	30 June 2026	Yes
531 – 571 Parramatta Rd, Five Dock, NSW (excluding first floor showroom)	Autosports Properties Leichhardt Pty Limited ACN 161 513 131	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes
Unit C, 2 Packard Ave, Castle Hill, NSW	Autohaus Prestige Five Dock Pty Limited ACN 123 958 878	Initial term – 5 years Lessee has two options to renew for 5 years.	30 June 2021	Yes

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

The properties and leases will be assessed at the date of assessment on the following basis:

- Market Rental Value and Lease Term Advice – Subject to Existing Occupancy Arrangements.

The reports will be prepared strictly and only for the use of the reliant party and for the purpose specifically stated, which we understand to be:

- BDO for market rental advisory purposes only.

Whilst the report will be prepared for reliance by BDO only, we have been requested by BDO to provide consent to our report being included with BDO's Expert Report to be sent to Autosports Group. We therefore consent to our report being included with BDO's Expert Report and sent to Autosports Group for information purposes only.

We do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of assessment, or such earlier date if the reliant party becomes aware of any factors that may have an effect on the assessment.

Outlined below is our fee proposal for provision of the valuation advisory services outlined in the letter of engagement ("the Services") and attached are our standard terms and conditions. If accepted by you, this letter and attachments will form the terms of engagement between BDO ("Instructing Party") and CBRE Valuations Pty Limited ("CBRE", "the Company" or "we").

PROVISION OF INFORMATION

Refer to Attachment 3 for our information request. Please note that this request is not exhaustive and can be amended or updated by CBRE from time to time. If you do not provide any part of the information requested for whatever reason, we may include limiting conditions to our valuation service as necessary (including limitations on reliance).

FEE PROPOSAL

We require a minimum period of 10 working days ("Minimum Time Frame") from the date of inspection/receipt of all information to complete our valuation. The Minimum Time Frame is subject to your co-operation to provide all requested information (see Attachment 3) in a timely manner. Any delay in providing the information may necessitate re-inspection of the property and relevant sales evidence (to be determined at our sole discretion) and will be subject to the Additional Fee rate, unless otherwise agreed in writing.

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

CONFLICT OF INTEREST

You acknowledge that CBRE is a large, multi-national company providing a variety of services to clients. If either party becomes aware of an actual or potential conflict of interest, it will notify the other party as soon as is reasonably practicable thereafter, and the parties will work together to attempt to resolve any such actual or potential conflict.

CANCELLATION POLICY

If you decide for whatever reason to cancel the valuation brief, the following cancellation fees will apply:

- Before property inspection: \$500 + \$50 GST = \$550 (minimum cancellation fee)
- After property inspection: 100% Disbursements + 50% Base Fee
- After issue of report (final or otherwise): 100% Disbursements + 100% Base Fee

CBRE is to provide the services as set out in accordance with the terms of engagement. Notwithstanding anything else contained in the terms of engagement, CBRE reserves its right to terminate the engagement in its absolute discretion where it considers that:

- a conflict of interest arises (notwithstanding the clause 'conflict of interest', above);
- any terms are changed by the instructing party or reliant party that CBRE considers substantially changes the engagement; or
- any other reason that CBRE is unable to continue carrying out the engagement.

Such termination will be notified in writing to the instructing party (or any other party as necessary) and will be without recourse.

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

TERMS OF PAYMENT

Our invoice will be forwarded at the commencement of the assignment, with the fee to be paid prior to the release of the reports.

Our fee quote is valid for a period of 14 days from the above date.

Should you elect to pay your account via direct deposit, please advise us and we will issue you with your tax invoice along with our bank account details. (Please use the tax invoice number as your direct deposit reference number.)

Please complete the Billing Party and Reliant Party details below as acknowledgement and acceptance of the Terms of Engagement.

We thank you for the opportunity to submit our proposal.

Yours sincerely
CBRE Valuations Pty Limited




Mark Skeed
Registered Valuer No. 6028
Senior Director
Valuation & Advisory Services

Liability limited by a scheme approved under Professional Standards Legislation.

Billing Party Details


* Authorised Representative

Company: BDO Corporate Finance (East Coast) Pty Ltd
Name*: David McCourt
Signature*: 
Title*: Director
Date: 13/10/2021

The valuation and valuation service is provided subject to:

1. All issues, assumptions, disclaimers, qualifications and recommendations as outlined in the advice/report provided. Examples are provided in Attachment 1 and may differ in the report.
2. The "CBRE Valuation & Advisory Services Terms and Conditions" set out in Attachment 2.
3. Compliance with the "Information Request" and Client disclosure set out in Attachment 3.

BILLING PARTY (name in full):	<u>BDO Corporate Finance (East Coast) Pty Ltd</u>
Billing Party Address:	<u>L11, 1 Margaret St, Sydney NSW 2000</u>
Billing Party ABN (must be provided):	<u>70 050 038 170</u> / /
Client Email:	<u>david.mccourt@bdo.com.au</u>
Client Telephone:	T: () M: <u>0414 018 317</u>

RELIANT PARTY (name in full):	<u>BDO Corporate Finance (East Coast) Pty Ltd</u>
Authorised Representative's Name:	<u>David McCourt</u>
Signature:	 Date: <u>13/10/2021</u>

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

Attachment 1. Sample of Assumptions, Disclaimers, Limitations, Qualifications

Assumptions

Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.

Flooding Caution

The quality, completeness and accuracy of flood mapping varies widely between localities and Councils. We have not verified, and make no representation as to the appropriateness, accuracy, reliability or currency of the flood mapping reviewed. The Reliant Party may wish to confirm the flood mapping information by obtaining an expert hydrologist's report. If further flooding data is obtained, we reserve the right to review and if necessary amend the valuation.

Site Survey Not Provided

We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor.

Site Conditions

We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise). Include last sentence if property has future redevelopment potential.

We Are Not Contamination Experts

Unless otherwise stated, we have assumed that the site is free of subsoil asbestos or any elevated levels of contaminants. We have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If any testing is undertaken to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.

We Are Not Hazardous Material Experts

Unless otherwise noted, we have assumed that the improvements are free of asbestos and hazardous materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We have made no allowances in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If any testing is undertaken and the presence of any asbestos/hazardous materials on site is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess the valuation.

Liens

We have disregarded the presence of any mortgage or other financial liens pertaining to the property.

Title/Unregistered Interests

We have assumed that there are no further easements, unregistered interests or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a future title search is undertaken which reveals additional easements or encumbrances, CBRE should be consulted to reassess any effect on the value stated herein.

Planning Information

We assume information provided by the relevant responsible authority is current and accurate. We do not commission formal investigations to verify information provided to us.

Measurement of Lettable Areas

We have assumed that the floor areas provided have been calculated in accordance with the Property Council of Australia (PCA) Method of Measurement or as specifically instructed by the Instructing Party. Should the Reliant Party obtain a survey that reveals a variance in areas, then this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.

Valuation Analyses

In arriving at our opinion of value, we have employed industry recognised valuation methodologies. We have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties (as previously detailed).

Extent of Our Investigations

We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.

Information Supplied by Others

This document contains information which is derived from other sources. Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for valuation purposes or not. Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own. Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar valuation/consultancy service. The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

Attachment 2. CBRE Valuation & Advisory Services – Terms & Conditions

These conditions form part of the Terms of Engagement provided by CBRE which confirms the scope of Services, the personnel providing those Services and the Company's charges for those Services.

Instructing Party's Obligation to Assist The Instructing Party agrees to provide all reasonable assistance to the Company to allow the Company to complete this instruction including all relevant documents and/or information the Instructing Party knows or ought reasonably to know will so assist the Company, at its own cost and in a timely fashion, including but not limited to:

- all information which the Company requests from time to time for the performance of the Services;
- reasonable access to the property/properties and to the Instructing Party's premises (if relevant) for the purpose of providing the Services.

Matters Which Affect or May Affect the Valuation If the Instructing Party and/or Reliant Party become aware of any matters which affect or may affect the valuation, then the Company must be advised of those matters. Reliance will not be placed on the valuation, under any circumstance, unless all such matters are discussed to the Company.

CBRE Does Not Assign Valuations The Company does not assign valuations. If the Instructing Party has not determined the Reliant Party and Purpose details by the time of report finalisation, the report will be addressed and issued to the Instructing Party for Financial Reporting purposes in PDF format only. Once the Reliant Party and Purpose details have been advised to us, the report will be re-addressed and issued to the Reliant Party. This additional service may incur an additional fee (refer to Fee Quote). No responsibility will be accepted or assumed to any third party who may use or rely on the whole or any part of the content of our valuation.

Confidentiality Any valuation service is confidential as between the Company and the Reliant Party as specifically stated in the valuation advice/report. Neither the whole of the report, nor any part of it, may be published in any document, statement, circular or otherwise by any party other than the Company, nor in any communication with any third parties, without the prior written approval of the Company of the form and context in which it is to appear.

Future Change in Value All valuations are current as at the date of valuation only. The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). The Company does not accept liability for losses arising from changes in value after the date of the valuation.

Lending Practices Where the valuation is prepared for First Mortgage Security purposes, it will be provided on the basis that any associated lending must comply with the Banking Act 1959; follow prudent finance industry lending practices and credit risk for any potential borrower including the borrower's ability to service and repay any mortgage loan; follow prudent loan to value ratio guidelines. No responsibility is accepted where these requirements are not strictly observed.

Fees & Disbursements All disbursements, including travelling and other reasonable expenses incurred by the Company in the provision of the Services are fully recoverable from the Instructing Party as and when incurred.

All invoices are payable within 14 days of the date of invoice, unless otherwise stated in the Terms of Engagement. A late payment fee of 2% per month (or part thereof) for any overdue amount may be charged by the Company.

All legal and debt recovery costs which the Company may incur in recovering overdue account balances from the Instructing Party shall be fully recoverable from the Instructing Party as and when incurred.

Suspension of Services The Company has the right to suspend its engagement where the Instructing Party fails to pay any invoiced fees and disbursements within the required time frame, by giving the Instructing Party seven days' notice in writing. Should the engagement be suspended by the Company, all obligations by the Company to the Instructing Party cease and, furthermore, all documents that the Company receives from the Instructing Party prior to the engagement being suspended becomes the property of the Company and, unless otherwise agreed, the Company shall be free to use this information and to value the Property for any other party.

Once all outstanding invoices have been paid, the Company will at the request of Instructing Party, return documents owned by the Instructing Party within a reasonable time.

Electronic Communication If the Instructing Party asks the Company to send any documents by email, the Instructing Party will be deemed to have accepted the risk of (and the Company will have no responsibility for) the message being intercepted, not being received or not being viewed by the recipient.

If the Instructing Party asks the Company to provide the Instructing Party with a copy of a document by email or disk, the Company will do so on the basis that the Company does not warrant that the disk or email communication will be virus or defect free and on the basis that:

- the Company will not be responsible for any loss or damage sustained by the computer system which reads the disk or email; and
- precautions will be taken by the Instructing Party to ensure that the disk or email does not cause any loss or damage.

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

Copyright

Copyright in any written work, drawing, compilation, table, graph and similar works created by or on behalf of the Company remains with the Company.

Variation

The conditions can only be varied by agreement in writing by the Instructing Party and the Company.

Privacy

The Instructing Party acknowledges that the Company will collect certain personal information within the meaning of that term in the Privacy Act 1988 (Cth) ("Personal Information") from or about the Instructing Party to perform its obligations hereunder, including promoting its services.

Subject to clause c) below:

- the Company will only collect, store, use and disclose Personal Information in accordance with the Company's privacy policy as it applies from time-to-time located at Privacy Policy and Privacy Statement; ("Privacy Policy") and as permitted under the Privacy Act 1988 (Cth) in order to perform its duties under this Agreement and achieve the purposes specified in clause above; and
- the Instructing Party warrants that it has read and understood the Company's privacy policy and consents to the Company handling the Personal Information in the manner specified in this clause. Without limiting the foregoing, the Instructing Party specifically consents to the disclosure of the Personal Information on the internet and to third parties such as advisors, suppliers, property data service providers, government and statutory bodies and financial institutions.
- Where the Instructing Party has indicated in writing that the Personal Information is confidential, the Company will only disclose the Personal Information to a third party (other than a related body corporate of the Company) with the Instructing Party's written consent or as required by law, an order of the court or request by a government authority, or otherwise for the purposes of obtaining financial or legal advice. The obligation of confidence by the Company will end upon the confidential information becoming publicly available other than by a breach of this obligation of confidence by the Company.
- The Instructing Party must not provide the Company with Personal Information of any other individual unless it has the express consent of that individual to do so. The Instructing Party warrants that it has that individual's consent to provide their Personal Information to the Company.

Limitation of Liability

Liability limited by a scheme approved under Professional Standards Legislation.

The Company accepts no responsibility or liability whatsoever for the Services unless full disclosure of all information likely to affect the valuation has been made.

Conditions, warranties or other rights for the Instructing Party's benefit may be implied or given in respect of these terms and conditions by Competition and Consumer Act 2010 (Cth), the Fair Trading Act 1986 (NZ) (as relevant) or other laws. Where it is not lawful or possible to exclude them, then those conditions, warranties or other laws apply but only to the extent required by law.

All other implied conditions, warranties and rights together with any implied by custom or other circumstances are excluded.

The Company limits its liability for breach of any implied condition, warranty or right to the extent allowed by law. Subject to the qualifications in the Competition and Consumer Act 2010 (Cth) or in other laws, the Company's liability for any breach of any such implied condition, warranty or right is limited in the case of services supplied to the level of the fees.

To the full extent permitted by law, neither party will have any liability to the other (whether arising in contract, tort (including negligence), statute, equity or otherwise) for Excluded Loss under or arising out of this engagement. "Excluded Loss" means any: (a) loss of revenue, use, production, goodwill, profit, income, business, contract or anticipated savings, (b) financing costs or increase in operating costs, or (c) other financial or economic loss or any other special or indirect loss or damage (excluding any losses and damages to the extent arising naturally according to the usual course of things from the relevant conduct or breach).

Entirety of Terms of Engagement

The Engagement Letter in terms of engagement, subject to any qualifications, conditions, assumptions, and reservations set out in any report or opinion furnished to you:

- Constitutes the entire understanding and agreement of the parties relating to the matters dealt within in;
- Supersedes and extinguishes all prior agreements, statements, representations and understandings whether verbal or written between us relating to the matters dealt with in this Engagement Letter; and
- May be varied at any time by mutual agreement in writing.

Terms of Engagement

Market Rental and Lease Advice for Seven Autosports Group Properties in Sydney NSW

Attachment 3. Information Request

COMMERCIAL PROPERTY

TENANCY DETAILS

	Client Provided	Client Not Available
1. Contact details to arrange inspection and to access requested information	<input type="checkbox"/>	<input type="checkbox"/>
2. Copy of current tenancy schedule	<input type="checkbox"/>	<input type="checkbox"/>
3. Current income and expenditure budget	<input type="checkbox"/>	<input type="checkbox"/>
4. Miscellaneous income report (e.g. telecom towers, storage, signage etc.)	<input type="checkbox"/>	<input type="checkbox"/>
5. Access to lease documents (preferably on USB with all leases in PDF format)	<input type="checkbox"/>	<input type="checkbox"/>
6. Side agreements	<input type="checkbox"/>	<input type="checkbox"/>
7. Schedule of outstanding tenant incentives	<input type="checkbox"/>	<input type="checkbox"/>
8. Outstanding rental abatements	<input type="checkbox"/>	<input type="checkbox"/>
9. Arrears report	<input type="checkbox"/>	<input type="checkbox"/>
10. Tenancy disputes	<input type="checkbox"/>	<input type="checkbox"/>
11. Schedule of expansion and contraction rights (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>

OUTGOINGS

12. Actual audited outgoings - previous 2 years	<input type="checkbox"/>	<input type="checkbox"/>
13. Budgeted outgoings - current year	<input type="checkbox"/>	<input type="checkbox"/>
14. Schedules detailing how recoverable outgoings for each tenant are calculated	<input type="checkbox"/>	<input type="checkbox"/>
15. Copy of Land Tax Notice	<input type="checkbox"/>	<input type="checkbox"/>
16. Copy of current Rates Notices including water charges	<input type="checkbox"/>	<input type="checkbox"/>
17. Car Park Levy Statement (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>

BUILDING – CONDITION AND REPAIR

18. Surveyed building plans (if available)	<input type="checkbox"/>	<input type="checkbox"/>
19. Capital expenditure forecast	<input type="checkbox"/>	<input type="checkbox"/>
20. Façade report	<input type="checkbox"/>	<input type="checkbox"/>
21. Mechanical services lifecycle report	<input type="checkbox"/>	<input type="checkbox"/>
22. Hazardous building materials audit (asbestos etc.)	<input type="checkbox"/>	<input type="checkbox"/>
23. Essential services register	<input type="checkbox"/>	<input type="checkbox"/>
24. Any other building reports that may have been commissioned	<input type="checkbox"/>	<input type="checkbox"/>
25. Copy of Certificate of Classification (Occupancy Certificate) if available	<input type="checkbox"/>	<input type="checkbox"/>
26. Planning permits (proposed or current) if applicable	<input type="checkbox"/>	<input type="checkbox"/>
27. NABERS and BEEC Certificate	<input type="checkbox"/>	<input type="checkbox"/>

OTHER INFORMATION

28. Title references/Title particulars	<input type="checkbox"/>	<input type="checkbox"/>
29. Details of proposed/pending resumption of part of the property by any authority	<input type="checkbox"/>	<input type="checkbox"/>
30. Detail disputes with neighbouring properties over boundary or encroachment issues	<input type="checkbox"/>	<input type="checkbox"/>
31. Appeal status regarding current Site Value	<input type="checkbox"/>	<input type="checkbox"/>
32. Formal flood report and/or any known flooding information	<input type="checkbox"/>	<input type="checkbox"/>
33. Formal site contamination or other environmental reports	<input type="checkbox"/>	<input type="checkbox"/>

DISCLOSURE

34. Underground fuel tanks and integrity tests if applicable	<input type="checkbox"/>	<input type="checkbox"/>
35. Any form of contamination to land and/or buildings	<input type="checkbox"/>	<input type="checkbox"/>
36. Tenancy disputes	<input type="checkbox"/>	<input type="checkbox"/>
37. Unregistered interests/instruments	<input type="checkbox"/>	<input type="checkbox"/>
38. Previous site use (property history)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
39. Any other relevant information which could affect the value of the property	<input type="checkbox"/>	<input type="checkbox"/>

CBRE VALUATION & ADVISORY SERVICES

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autosports group[®]

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Autosports Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 306 276



X99999999999

PROXY FORM

I/We being a member(s) of Autosports Group Limited (the **Company**) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEDT) on Tuesday, 30 November 2021 at Autosports Group's Head Office at 565 Parramatta Road, Leichhardt NSW 2040 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 3, 4a, 4b, 5a, 5b & 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3, 4a, 4b, 5a, 5b & 6 where applicable, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

2 Election of James Evans

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4a 157,779 performance rights to Nicholas Pagent as his annual short-term incentive grant for the FY21

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4b 68,619 performance rights to Ian Pagent as his annual short-term incentive grant for the FY21

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5a 232,419 performance rights to Nicholas Pagent as his annual long-term incentive grant for the FY22

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5b 79,686 performance rights to Ian Pagent as his annual long-term incentive grant for the FY22

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Approval of Pre IPO Related Party Leases

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

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Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1.

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses, subject to any voting restrictions that apply to the proxy. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL (KMP)

The KMP of the Company (which includes each of the Directors) and their closely related parties will not be able to vote as your proxy on Resolutions 3, 4a, 4b, 5a, 5b & 6 unless you direct them how to vote or the Chairman of the Meeting is your proxy. If you intend to appoint a member of the KMP or one of their closely related parties as your proxy, you can direct them how to vote by following the instructions on this Proxy Form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEDT) on Sunday, 28 November 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Autosports Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**