



# VERRAGROUP Valuation

## Laboratory Equipment Appraisal Report Fair Market Value (FMV)

Laboratory Equipment Assets  
Located at the  
**YOUR LOCATION**

Effective Date  
2020

THORVALDSON  
APPRAISAL LTD. 

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## **Report Date**

## **Client Name and Address**

Re: Narrative appraisal of laboratory equipment assets

In accordance with our instructions, **on inspection date**, a site visual of part of the above-referenced equipment assets was completed and we have prepared a narrative appraisal report. The purpose of the appraisal report is to estimate the current Fair Market Value (FMV) of the freehold (free and clear) interest in the above noted equipment assets.

The intended use of the report is to help develop an opinion of the Fair Market Value to assist with **intended use of report**, and no other use. The intended users identified in the report are **intended users identified by name**, and no other users. This transmittal letter is not an appraisal report, hence it must not be removed from the attached report. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

Those equipment assets include the listing various laboratory equipment assets previously provided to us by the client and the description / condition included information from the visual observation of the assets and our interview with the client. The subject assets have ranging condition ratings.

Assets in Scrap (X) condition are those considered as being no longer serviceable and which cannot be utilized to any practical degree regardless of the extent of the repairs or modifications to which they may be subjected. This condition applies to items of equipment which have been used for 100% of their useful life or which are 100% technologically, functionally or economically obsolete and are no longer serviceable and have no value other than for their material content.

Assets in Salvage (S) condition are those items of equipment whose value remains in the whole property or a component of the whole property that has been retired from service.

Assets in Poor (P) condition are those items of equipment which because of their condition can be used only at some point well below their full designed and specified utilization, and it is not possible to realize full capacity in their current condition without extensive repairs and/or the replacement of major elements in the near future.

Assets in Fair (F) condition are those items that have been kept in storage and require some general repairs and some replacement of minor elements to raise them to be capable of being utilized to, or near, their original specifications.

Assets in Good (G) condition are those items that are in good operating condition and capable of being used at or near their full designated and specified utilization.

...2)

Based on an observational method and our discussions with the client, we consider functional obsolescence (*loss in value resulting from capability differences between a new asset and the subject asset*) and technical obsolescence (*loss in value resulting from difference between design and materials of construction used in present-day assets compared with the subject assets*) as being applicable to a number of the assets include in the Fair Market Value analysis.

In other words, some of the asset items physical condition and operating performance were not considered typical for similar assets found in this particular market. Typically motivated purchasers and market participants would contemplate the matter of the assets having either an average level of desirability or having less desirability from an operating standpoint, and this made the analysis difficult. Given the scope of our appraisal engagement, we incorporated reasoned professional judgement on the condition and operating performance of the assets and then mirrored those characteristics to the market to qualitatively select a point in the market range found that reasonably estimates value of the assets. The value estimates of the assets do not include shipping or installation/set-up.

Our report logically provides support for our overall conclusion of Fair Market Value. Assets *considered more significant* to the assignment results have been the focus of our discussion.

Based on our analysis, it is our opinion that under a Fair Market Value scenario of the total equipment assets included in our report, current valuation date as of *date*, is as follows:

**\$,000.00 (CDN) – Current FMV as of Effective Date**  
**THOUSAND DOLLARS (CDN)**

Our opinion of Fair Market Value is subject to Scope of Appraisal Work beginning on **page #**, our Extraordinary Assumptions, Hypothetical Condition and Extraordinary Limiting Condition on **page #**, and the Limiting Conditions and Critical Assumptions beginning on **page #** of the report.

A description of all information collected may be found in the following Appraisal Report. This Appraisal is presented in an Appraisal Report, which complies with the 2020 Canadian Uniform Standard of Professional Appraisal Practice and the 2020 Uniform Standards of Professional Appraisal Practice. This appraisal may not be used or relied upon by anyone other than the client and intended users, for any purpose, without the expressed written consent of the appraiser.

Respectfully submitted,

Darrell A. Thorvaldson AACI, P.App, ASA

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