absolutely binding in all cases. Hence, the point scores one ('I do not agree') and five ('I agree') have been designed to correlate to the lowest and highest values respectively constituting the financial value spread.

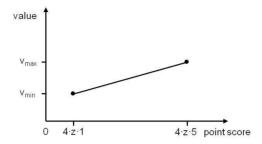


Figure 4.4: An example of combination of scoring results from assessment of the four dimensions of value with the value spread resulting from the financial income-based analysis.

In our example, therefore, the point score of 48, i.e. the score mirroring every fact statement being answered with a score of one, corresponds to the figure at the bottom end of the first value spread - € 50,000. The point score resulting from all fact statements being answered with a score of five, 240, thus corresponds to € 60,000.

In order to merge the point score from the prismatic evaluation with the value spread resulting from the financial income-based analysis, the Euro amount needs to be computed which corresponds to the respective scoring result. This is done utilising the two-point form of a linear equation.<sup>582</sup>

 $v = v_{min} + \frac{v_{max} - v_{min}}{(z \cdot 5 \cdot 4) - (z \cdot 1 \cdot 4)} \cdot (x - z \cdot 1 \cdot 4)$ , whereas v means value,  $v_{min}$  is the lowest figure 582in the value spread range,  $v_{max}$  the highest value in the range and z the number of fact statements per dimension (z is variable yet should be the same in all dimensions, cf. supra at 4.1.2.1). This linear equation is based on the supposition that all correspondents of the point scores and the associated financial value figures which lie between the point score equalling all fact statements being answered with one  $(z \cdot 1 \cdot 4)$  and the point score in case all fact statements are given five points  $(z \cdot 5 \cdot 4)$  are on a straight line. This solution has been chosen for the SIM for reasons of plausibility and simplicity. The assumption of linearity may have to be given up in favour of a convex curve such as a Gaussian distribution in case it turns out that there is a bias in the course of the prismatic evaluation. The prime example of such bias would be midpoint tendency, i.e. a tendency to answer a fact statement with the middle possibility (in case of an odd number of possibilitles to choose from as proposed in the SIM) if the appraiser is not sure what to answer. Such midpoint tendency can, however, be remedied not only by application of a Gaussian distribution but also by giving the appraiser the option to answer 'I do not know'. Exactly this latter possibility has been chosen in the course of the SIM, cf. above at fn. 580. Hence, as the threat of midpoint tendency is dispelled, there is no reason to apply a complex and rather complicated concave function of whatever form instead of a considerably simpler straight line function. It is therefore better to choose the linear equation as described above.

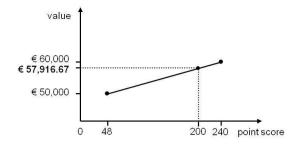


Figure 4.5: Using the two-point form of a linear equation to merge the scoring result from the prismatic evaluation with the value spread from the financial income-based analysis.

In the current example, the amount in Euros needs to be computed which corresponds to a 200 out of 288 point score, which is  $\mathfrak{C}$  57,916.67 (rounded).<sup>583</sup>

This contextual result can be scored against an industry benchmark in case a comparison with other assets, for instance other brands in the industry, is desired. In the course of the very first valuation, the mean will have to constitute the benchmark (i.e. 144 points in case of the above example), as no benchmarks will have been established from valuation yet. With every appraisal carried out, this benchmark will change and become more and more representative. Hence, the SIM will grow more accurate and even less subjective over time.

By containing both financial and qualitative analysis in this unique way, the SIM does not only provide a reliable future-related contextual value outcome expressed in monetary terms. In addition, it enables the appraiser to inform the client about important value determinants and background information collected on the basis of the comparative evaluation.

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$$v = 50,000 + \frac{10,000}{192} \cdot (200 - 48).$$