PRACTICE STANDARD NO. 100

Effective January 1, 2026

VALUATION CONCLUSIONS AND VALUATION REPORTS

1. Business valuation is the act or process of developing a conclusion[1] of value as of a specific date. A valuation involves the application of certain approaches, methodologies and techniques, and making assumptions and judgments with respect to future events, in order to provide a conclusion in the form of a specific value or range of values of shares, assets, liabilities, or any other business interest.

2. The Canadian Institute of Chartered Business Valuators ("CBV Institute") has issued these valuation standards for Chartered Business Valuators ("CBVs" or "Members") and Registered Students (collectively referred to as "Valuator" or "Valuators") to provide a principles-based framework for business valuations, for the benefit of the public interest.

3. CBVs may be retained to provide a conclusion of value for shares, assets, liabilities, or any other business interest ("Valuation Conclusion")[2]. A Valuation Conclusion must be credible and properly supported based on an appropriate scope of work consisting of review, inquiry, analysis, and independent corroboration of significant relevant information of the business, its industry, and any other factors relevant to the valuation ("Scope of Work").

4. A "Valuation Report" under CBV Institute standards is any written communication containing a Valuation Conclusion, prepared by a Valuator acting independently and objectively.

5. The standards for independent Valuation Conclusions and Valuation Reports are Practice Standards Nos. 100, 110[3], 120, and 130 (together, the "Valuation Practice Standards"). A valuation conclusion prepared by a Valuator who is not independent is governed by Practice Standards Nos. 210, 220 and 230, *Advisory Reports*.

6. The Valuation Practice Standards provide Valuators with the minimum requirements to develop and communicate a Valuation Conclusion that is credible and properly supported.

7. Interpretation and application of these standards requires professional competence in business valuation and the use of informed professional judgment, and appropriate

[1] In these Valuation Practice Standards, conclusion is synonymous with opinion.
[2] For guidance in determining whether or not a particular communication expresses a Valuation Conclusion see Practice Bulletin No. 5 "*Guidance as to when reporting standards are not intended to apply."*
[3] All references to Practice Standard No. 110 also include, as applicable, Appendix A and Appendix B to Practice Standard No. 110.

professional skepticism. Professional judgment is required in effectively planning, performing, and ultimately, concluding on the valuation. A necessary part of a valuation is reliance on certain management representations and financial information. Valuators must undertake appropriate questioning and apply professional skepticism when gathering information. Due to the application of professional judgment and professional skepticism in the valuation process, knowledgeable, reasonable, and objective valuators might reach different conclusions for any given set of facts and circumstances.

8. The Valuation Practice Standards are not a comprehensive compilation of considerations, techniques, or technical elements that might be required to develop a Valuation Conclusion.

9. CBV Institute periodically issues practice bulletins to provide guidance on topics related to the Valuation Practice Standards. The current practice bulletins applicable to Valuation Conclusions and Valuation Reports include:

    Practice Bulletin No. 2 *International Valuation Glossary – Business Valuation,*

    Practice Bulletin No. 3 *Guidance on the levels of Valuation Conclusions,*

    Practice Bulletin No. 4 *Guidance on definition of Valuator, Expert, and Assistants*,

    Practice Bulletin No. 5 *Guidance as to when reporting standards are not intended to apply*,

    Practice Bulletin No. 6 *Guidance on disclosure of reliance on Financial Statements and other information,*

    Practice Bulletin No. 7 *Guidance on use of Draft Reports*.

Applicability

10. The Valuation Practice Standards are applicable when valuing shares, assets, liabilities, or any other business interest.

11. Practice Standard No. 110 contains the disclosure standards for all written independent Valuation Reports.

12. Practice Standard No. 120 contains the Scope of Work standards for all independent Valuation Conclusions (written and oral). It is the responsibility of the Valuator to determine the appropriate Scope of Work for a particular engagement in order to render a credible and properly supported Valuation Conclusion and this involves professional judgment.

13. Practice Standard No. 130 contains the file documentation standards for all independent Valuation Conclusions (written and oral).

14. A written Valuation Conclusion must comply with Practice Standards No. 100, 110, 120, and 130, regardless of the written form in which it is communicated (whether it is in the form of a report, an e-mail, memorandum, schedules, or other written form).

15. When a Valuation Conclusion is being communicated orally by a Valuator (without any accompanying written work product provided), the Valuation Conclusion must still comply with Practice Standards No. 100, 120, and 130. The Valuator must document in their working papers the substance of the oral report communicated to the client.

    (*Explanatory comments:* Written Valuation Conclusions are preferable to oral Valuation Conclusions because Valuation Reports provide a better record of what was communicated to the client. In practice, Valuators might provide oral statements to parties pertaining to matters of value, ranging from informal observations about value to a Valuation Conclusion. Whether oral communications amount to a Valuation Conclusion depends on the specific facts and circumstances. The Valuator must assess whether anything communicated orally would be reasonably perceived by the user to be a Valuation Conclusion by considering factors such as: the potential use that the user may make of that communication; extent of the work done; extent of reliance by the user; fees charged; how it was communicated; etc. If the Valuator does not consider the oral statements to be a Valuation Conclusion, the Valuator must clearly communicate to the user that their statements should not be relied upon and should not be construed as a Valuation Conclusion.)

16. The International Valuation Standards Council ("IVSC") is an independent global standard setter for the valuation profession and issues the International Valuation Standards ("IVS"). CBV Institute recognizes and permits the use of IVS as an acceptable alternative to the Valuation Practice Standards.

    (*Explanatory comments*: Use of IVS might be appropriate if required by law, regulation, agreement, jurisdictional requirements, or if it is otherwise considered appropriate in the circumstances of the engagement. It might be appropriate to apply and follow IVS when the engagement is for an international client, a business with global operations, or an entity with global investments. A Valuator is required to apply professional judgment in determining whether to apply IVS or CBV Institute's Valuation Practice Standards. A Valuator who is using IVS must follow all the applicable requirements of IVS. Valuation Conclusions prepared in accordance with IVS must disclose that they are in compliance with IVS.)

Levels of Valuation Conclusions

17. There are three levels of Valuation Conclusions that may be issued by Valuators under these Valuation Practice Standards. These levels recognize the different purposes and situations for which Valuation Conclusions are prepared as well as the availability and reliability of information and, accordingly, there are differences in the Scope of Work that is undertaken by the Valuator. The three levels of Valuation Conclusions are distinguished by the Valuator's Scope of Work based on the facts and circumstances of the engagement. (*Explanatory comments*: Regardless of level, a Valuation Conclusion must be credible and properly supported based on an appropriate Scope of Work.)

18. As set out in CBV Institute's Code of Ethics, the Valuator must ensure that any Valuation Conclusion expressed will not be misleading to an intended user and is not dependent on any assumptions known by the Valuator to be false.

19. The three levels of Valuation Conclusions, from most extensive Scope of Work to least extensive Scope of Work, are: Comprehensive Valuation Conclusion, Estimate Valuation Conclusion, and Calculation Valuation Conclusion. For all three levels, the Valuator must undertake an appropriate Scope of Work consisting of review, inquiry, analysis, and independent corroboration of significant relevant information of the business, its industry, and any other factors relevant to the valuation (see Practice Standard No. 120). The three levels are differentiated by the depth of work performed by the Valuator as follows:

    19.1 **Comprehensive Valuation Conclusion –** is based on an extensive Scope of Work. A Comprehensive Valuation Conclusion has a Scope of Work that addresses the significant inputs and assumptions in detail. As such, it includes a high level of independent corroboration by the Valuator of significant inputs and assumptions.

    19.2 **Estimate Valuation Conclusion –** is based on a Scope of Work that is substantial, but less extensive than a Comprehensive Valuation Conclusion and more extensive than a Calculation Valuation Conclusion. As such, it includes a moderate level of independent corroboration by the Valuator of significant inputs and assumptions.

    19.3 **Calculation Valuation Conclusion –** is based on a Scope of Work that is less extensive than an Estimate Valuation Conclusion and therefore might only be appropriate in certain circumstances. In a Calculation Valuation Conclusion, the Valuator limits the amount of independent corroboration and may make reasonable simplifying assumptions for certain inputs, and places a higher degree of reliance on client representations.

20. The Valuator must use professional judgment to determine the appropriate Scope of Work for each engagement and to classify a Valuation Conclusion as a Comprehensive, Estimate or Calculation. Refer to Practice Bulletin No. 3 for guidance pertaining to Scope of Work by level of Valuation Conclusion.

21. Using professional judgment, the Valuator must consider the intended users and purpose of the valuation in selecting the appropriate level of Valuation Conclusion (Comprehensive, Estimate, or Calculation). The Valuator must also consider the facts and circumstances of the engagement, including the availability and reliability of information. Refer to Practice Bulletin No. 3 for additional considerations affecting the suitability of the three levels of Valuation Conclusions.

22. The level of Valuation Conclusion to be undertaken, including changes thereto as the valuation progresses, must be communicated to the client in writing (e.g., within the terms of a written engagement agreement).

September 23, 2025