Fair Value Valuation Report of

Warehouse facilities at the 27th km. of the Old Athens – Corinth National Road, Municipality of Elefsina, Regional Unit of Western Attica, Region of Attica

Valuation date: 31-12-20

RICS Regulated by RICS
KENTRIKI
An International Associate of Savills

Table of Contents

1. Description, statutory and legal aspects 1

1.1. Valuer details....3

1.2. Extent of due diligence enquiries and information sources....3

1.3. Location....3

1.4. Description....5

1.5. State of repair....9

1.6. Statutory requirements....9

1.7. Tenure....10

1.8. Environmental considerations....10

2. Market Commentary & Valuation Advice 13

2.1. COVID-19 implications....15

2.2. Approach to valuation....17

2.3. Valuation....19

3. Appendices 21

3.1. Appendix 1....23

Fair Value Valuation Report of

Warehouse facilities at the 27th km. of the Old Athens – Corinth National Road, Municipality of Elefsina, Regional Unit of Western Attica, Region of Attica

Valuation date: 31-12-20

RICS Regulated by RICS

KENTRIKI

An International Associate of Savills

1. Description, statutory and legal aspects

1.1. Valuer details

The property was inspected by George Gkolas MRICS (1209536), MEng Rural and Surveying Engineer, MSc (Econ) in Property, TCG member (92862) and Registered Valuer of the Greek Ministry of Finance (453) for a previous valuation report. We were able to inspect the property both externally and internally. Our inspection was limited to those areas that were easily accessible or visible.

The valuation was undertaken by Panagiotis Manousakis APC RICS (6917494) and reviewed by George Gkolas.

1.2. Extent of due diligence enquiries and information sources

According to the agreed Terms of Engagement we have not conducted any legal and technical due diligence, a building survey, any indicative measurements or any enquiries to pertinent Authorities.

The sources of the information we have relied upon for the purpose of our valuation were provide by you and are as follows:

1. Site Topographic Diagram, dated February 2006
2. Lease agreement n. 5693, of "Nafpigikes kai Biomixanikes Epixeirisis Eleusinas S.A" of the Athens Notary Aristotela Kovila, dated 22-12-2005
3. Lease Agreement between "SATO S.A" and "COSMOTE" dated 27-07-2011
4. Lease Agreement Amendment between "SATO S.A" and "COSMOTE", dated 5-07-2012
5. Solar Panels Lease Agreement n. 6.525 of the Athens Notary Ioulias Papadopoulos between "PASAL Development S.A" and "ILIENERGEIA", dated 20-09-2012
6. Photovoltaic Panels Lease Agreement Amendment between "PASAL Development S.A" and "ILIENERGEIA", dated 10-10-2012

Where reports and other information (i.e. technical drawings etc.) have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.3. Location

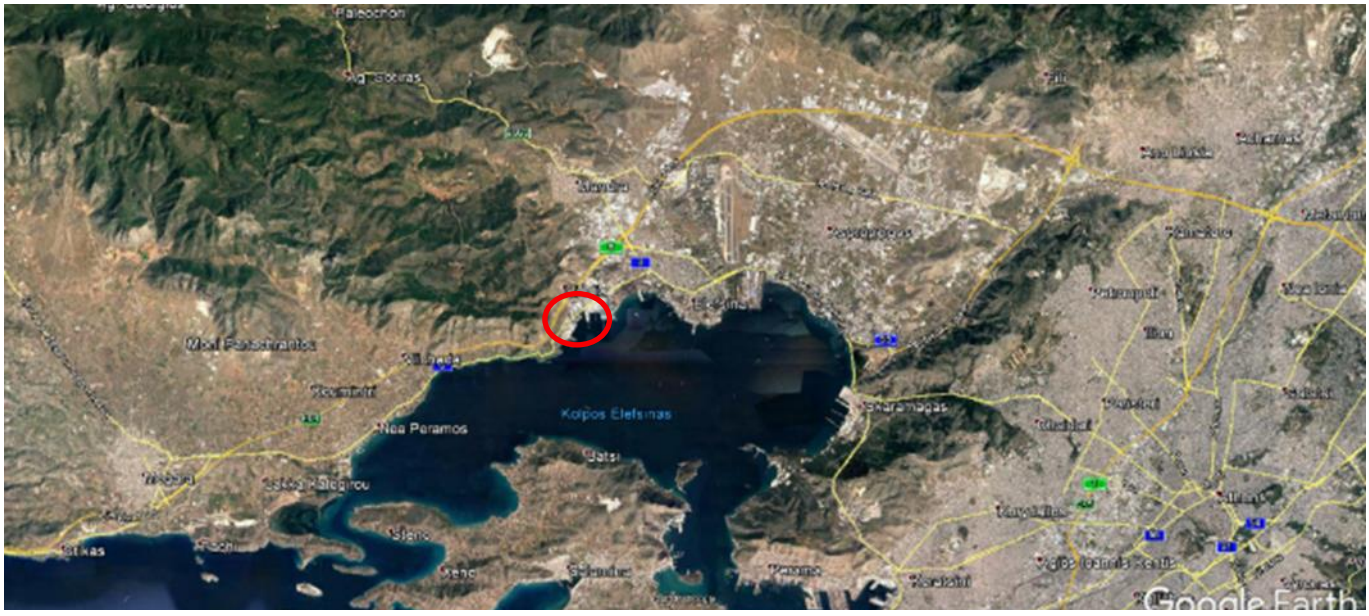
Elefsina is a waterfront satellite city of Athens with industrial and marine activities which is located in Western Attica. It belongs to the precinct of Megarida of Attica Prefecture. Elefsina is situated c. 5 km southwest of Athens city centre. The municipality of Elefsina is adjacent to the municipalities of Mandra and Aspropirgos as well as the community of Magoula. According to the 2011 census the population of Elefsina is c. 25,000 people. The industrial zone of Elefsina extends to a large area with heavy industrial activities occupying the waterfront zone. This is also where the commercial harbour of Elefsina administered by the Elefsina Harbour Authority, as well as other facilities such as the Elefsina Shipyards the ELTE oil refineries and Halyvourgiki exist.

Since the 60s the area hosts strategic industrial activities of national significance, however the city boasts for its exceptional historical and cultural heritage which is there since classical era. This characterizes Elefsina as an industrial city with a rich historical character. However, the historical character of Elefsina has been degraded over the years and only recently that an effort for the promotion of the historical element has been developed by the respective authorities. In this context there is a plan for the restoration and functional improvement of the existing archaeological area which are both situated within the city centre, thus becoming again a significant pole of attraction and recreational area for both residents and visitors of the city.

Almost all of the public services can be found in Elefsina, which have the goal of serving the residents, local businesses and their personnel. More specifically in the city can be found branches of IKA – TEVE – TSA, all the police and harbour authorities, branches of Western Attica Prefecture services, Directorate of Transport & Communication, Court, Town Planning Office, Employment Inspection Office, Archaeological Revenue Service, train station, Post Office etc.

The fastest way to access Elefsina is via Attiki Odos which ends in Elefsina (just before the toll station) and intersects with the new National Athens – Patra Highway. The area is also served by the Greek Railway Company (OSE) new high-speed network which connects Athens with Xylokastro and is due to be extended to Patra with the works projected to complete by 2021. This is the network that the suburban rail uses. The subject property is easily accessed as it is located in close proximity from the new National Athens - Patra Highway.

We enclose below a map showing the location of the property in its wider context.





1.4. Description

The subject property is a warehouse facility comprises of storage and office areas with a total size of 35,236.93 m². It is located in a land plot with a size of 56,201.56 m² as it is derived by the available data provided by our instructor (55,506.48 m² according to the Site Topographic Diagram, dated February 2006, of the surveying engineer Pantos Konstantinos).

Concerning the site, the ground is upwards sloping from the sea level towards the New Athens-Corinth National Highway. The shape of the land plot is trapezoid and its dimensions and neighbouring properties are as follows:

- North: At a length of 258.73 m with the railway line of the Hellenic Railways Organisation ("OSE"), a land plot owned by "Nafpigeia Elefsinas" S.A. and a land plot owned by "Petrola" (or EL.PE),
- East: At a length of 244.72 m with a land plot owned by "Petrola" (or EL.PE),
- South: At a length of 165.17 m with the Old National Highway Athens-Corinth,
- West: At a length of 264.64 m with a land plot owned by "Elefsina Shipyards S.A."

The wider area gathers heavy industrial uses and for this purpose the necessary infrastructure has been developed.

We note that at the north-eastern corner of the property there is a small church ("Agia Mavra") that was built before 1955 and covers an area of 77.97 m². In addition, another 4,000 m² of the property is let to the Municipality of Elefsina.

The property is used as an ambient warehouse unit, which according to the owning company, was developed by the previous tenant (SATO S.A.) at its own expense. According to information provided by the owner, the relevant Building Permit of the subject warehouse unit comprises the following areas:

Floor	Use	Offices (m²)	Storages (m²)	Total (m²)
Basement	Storage		5,898.71	5,898.71
Ground floor	Offices and Storage	674.2	22,385.17	23,059.39
Mezzanine	Offices and Storage	674.2	67.68	741.90
1st Floor	Offices and Storage	674.2	4,862.71	5,536.93
Total		2,022.66	33,214.27	35,236.93

The basement comprises limited office areas with industrial type flooring, suspended ceilings made of fiber tiles with recessed fluorescent lighting fixtures (60x60). The storage area in the basement level is arranged as a modern logistics unit with separate loading rack where the floor is of industrial coating and the storage area has a headroom of 6m. The roof is made of reinforced concrete slab with external fluorescent lighting. Additionally, there are specific compartments accommodating the electrical and mechanical equipment which support the building functions. It is important to note that there is a product elevator with loading capacity of 6 tons of cargo connecting all the levels of the building and a second one, with increased loading capacity, which connects the basement with the ground floor.

The ground floor comprises office and storage areas as well. At the office areas the ceiling is made of fiber tiles with inset 60x60 lighting fixtures while the floor is of industrial type with a polishing coat. The separating walls are made of colored plasterboard. The storage area in the ground floor features the main operations area of the logistics centre and consist of two different building constructions: the concrete building with 6m high ceiling and industrial flooring and the steel construction with 14m of height and also industrial floor. The ground floor storage area includes 34 loading slots and the relevant equipment to support the operations such as especially made places with the appropriate machinery for charging forklifts.

The mezzanine mainly comprises some office areas and limited storage which is used for servicing the offices. The mezzanine offices have the same specifications as the offices in the ground floor. In this area there is also a data room supporting the warehouse operation.

The first floor comprises modern and relatively new office areas and storage area. The floor of the offices is made of grey ceramic tiles while the ceiling is made of colored plasterboard with hidden lighting fixtures and fitted speakerphones. In addition to the hidden lighting there are special suspended lighting fixtures of irregular shape. The storage area has the same specification as at the basement level and has a cargo (goods) lift connecting the first floor with the ground floor.

There is a CCTV security system installed in the building and a movement sensor system connected with the alarm system.

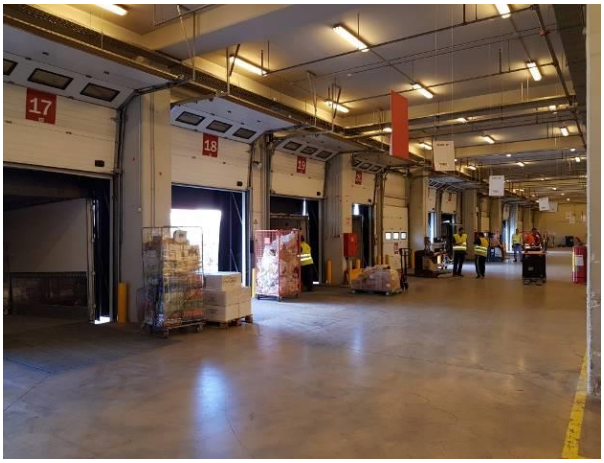
The building features an advanced fire-safety system that consists of the following:

- Smoke sensors
- Sprinklers and hose points
- Portable fire extinguishers
- Fire alarms

Additionally, the building is equipped with a ventilation system. Finally, the building is served by four staff elevators two of which are set for the office areas while the other two are set for the storage areas. Photographs of the premises taken on the date of our inspection are provided below.






17
18
















Poly•Bag



1.5. State of repair

As per our instructions, we have not carried out a structural survey, nor have we tested any of the services. However, we would comment, without liability, that the premises are at an excellent state of repair with normal wear and tear, subject to the age of the structure and the use. We have not noticed any signs of poor maintenance. This comment is provided without liability and comes from the macroscopic examination of the premises.

1.6. Statutory requirements

As per our instructions, we have not carried out a technical due diligence nor any enquiries to the relevant planning or other Authorities. Our valuation is solely based on the information provided by our instructor, which is assumed to be complete, accurate and correct, unless otherwise specified in the report.

1.6.1. Planning framework

According to document 1, the subject land plot covers a total area of 55,506.48 m² and the following planning issues apply:

- It is buildable and developable according to the current planning rules and regulations.
- It lies outside the approved town planning and zone (i.e. more than 500 m from the nearest settlement).
- It lies within the General Urban Design Plan (Γενικό Πολεοδομικό Σχέδιο) of the Municipality of Elefsina.
- It lies within the Industrial Zone (as published in the Government Gazette Issue No. 627D/05).
- No high voltage grid of the Public Power Corporation (ΔΕΗ) passes through the proximate area of the property or at a distance of less than 20m from it.
- It is characterised as non-forest land (according to no. 4616/21-11-2001 irrevocable characterisation decision issued by the Forest Authority of Egaleo).
- It lies at a distance of more than 100m from the sea.
- It should not meet the clauses of No. 1337/1983 Law.

As described in the same site topographic diagram, the respective planning regulations are the following:

<u>For industrial facilities (we note that the building permit was issued for industrial warehouse use)</u>

- Government Gazette No. 303D'/87
- Building Coefficient: 0.9
- Site Coverage Ratio: 30%+10% for sectional steel frame warehouses
- Minimum distance from the boundaries of the land plot: 10 m
- Maximum height: 11 m + 1.5 m for the pitched roof
- Volume Coefficient: As described in the General Building Regulation of '85
- Maximum Levels/Floors: 3
- Minimum area of the land plot: 20,000 m²
- Distance from the axis of Old National Highway: 45 m
- Distance from the expropriated boundary of the Hellenic Railways Organisation ("OSE"): 15 m

1.6.2. Compliance

In valuing the property, we have assumed that the premises are used in accordance with its present lawful uses and that the structures comply with current planning laws and building regulations, that they are not subject to any adverse proposals or

possible enforcement actions and that it has fully marketable titles.

1.7. Tenure

We understand that the subject property is held under freehold possession by "PASAL Development S.A".

This valuation is conducted under the assumption that the property has fully marketable title deeds and is free of any restrictive covenant, burden or any other defects, blockages or legal encumbrances that could adversely affect its market value.

1.7.1. Occupational Leases

The property is let to four tenants. The basic terms of the lease agreements are as follows:

		Lease data				
	Tenant / area	Lease start	Indexation date	Lease expiry	Indexation over CPI	Passing rent (€/month)
1	Sklavenitis	01.11.14	01.02	31.10.26		125,109.95
2	Cosmote (Antenna)	27.07.11	27.07	26.07.23		1,250.00
3	Ilienergeia (Solar Panels)	20.09.12	20.09	31.12.38		1,050.57
4	Municipality of Elefsina	22.12.05	22.12	31.12.25		445.17
						127,855.68

**The passing rent of ILIENERGEIA's (company) solar panels is a monthly average of the last 5 years, as the contract between the two parties appoints that the rent is 4% of the income that the company earns from the sale of energy.*

The areas let to each tenant are as follows:

s/n	User	Level	Use	use grade	Surface (m²)
1	Sklavenitis	Basement	Storage	B	5,898.71
2	Sklavenitis	Ground floor	Office		674.22
3	Sklavenitis	Ground floor	Storage	A	22,385.17
4	Sklavenitis	Mezzanine	Office		674.22
5	Sklavenitis	Mezzanine	Storage	A	67.68
6	Sklavenitis	1st floor	Office		674.22
7	Sklavenitis	1st floor	Storage	B	4,862.71
8	Cosmote (Antenna)	Flat roof	Other		19.00
9	Ilienergeia (Solar Panels)	Flat roof	Other		130.00
10	Municipality of Elefsina	Ground floor	Other		4,000.00
					39,385.93

1.8. Environmental considerations

As per the Terms of Engagement, we have not carried out a soil test or an environmental audit. Based on the general picture of the subject property and the neighbouring area we are of the opinion that it would appear unlikely that land contamination exists. We have also observed that there are not any hazardous or potentially hazardous uses near the property. These comments are

subject to the extent of the on-site survey and are made without liability.

Since it appears that land contamination is unlikely, we have valued the property on the basis that it has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. However, should it subsequently be established that contamination exists at the property, or on any neighbouring land, then we may wish to review our valuation advice.

2. Market Commentary & Valuation Advice

2.1. COVID-19 implications

2.1.1. The international environment

The advent of the COVID-19 pandemic and the global "lock-in" of all economic activity have led to an unprecedented cessation of almost all activities in both Greece and internationally. Having regard to the feedback we regularly receive from market stakeholders, owners and investors, we understand that the effect of the Covid-19 pandemic on the property market is yet to be fully realised on the entire spectrum of the market. This is explained by the fact that the real estate market traditionally is moving at a slower pace in terms of incorporating such large and sudden events, unlike other markets such as stocks and bonds which are immediately hit by shocks in the economic activity. However, as many analysts mention it seems that the pandemic has moved the real estate market in almost all its sectors 5 years ahead.

The most drastic and easily measurable effect was the rent reductions imposed by the government on specific activities, in order to support companies that have lost a major part of their turnover due to the lockdown. Despite this obvious hit in landlords the economic impact of the cessation of the economy has not yet been fully realised, especially not before the magnitude of the decline in tourism is measured, with all the implications that this has conveyed to many other activities of the economic chain related in a direct or indirect form with the tourism industry. There is real danger that this domino effect may cause negative effects to the viability of a large number of suppliers who represent a major part of the domestic economic base, as tourism and related activities represent around 20%-25% of GDP.

In this context, it is a positive development that the European Commission and the European Council reacted promptly and vigorously to the crisis, initially approving a package of € 540 bn in April 2020 to address the immediate economic impact of the coronavirus pandemic, mainly to cover the increased costs of healthcare and support financially the employees and the companies, due to travel restrictions. Then recently, after intense and time-consuming negotiations during the EU Summit, an additional package of loans and transfers was approved with the creation of the Recovery Fund entitled "Next Generation EU (NGEU)", amounting to € 390 bn in transfers and € 360 bn in loans. Through the above mechanisms, Greece seems to secure a package of c. € 70 bn in funding from the European Union to address the economic repercussions of the COVID-19 pandemic.

As always, the property market is slow in reflecting the lockdown shocks, with the main hit being observed so far on the leisure, F&B and hospitality sectors but also increasing concerns have occurred in the office acquisition strategies of many investors. For this reason, market participants argue that what we have seen so far is not representative and that the property market has not yet fully reflected the economic downturn caused by the lockdown and the restriction imposed. Retailers have reacted in lockdown downturns by enhancing their e-commerce channels; nevertheless, the volume of sales is far from reaching normal levels.

Short-term outlook

In the short-term (~next 6 months), we expect that many international investors who had included Greece in their investment strategy, will probably decide to think again in favour of more mature markets; thus, turning their funds in such markets since satisfactory return opportunities may appear again, possibly placing Greece in the background of their investment activity, at least until the first half of 2021. Obviously, this change in strategy will always be affected by the reaction of the other European markets especially after the current second pandemic wave. This positive sentiment of foreign investors towards other markets may not be long lived and at the end of the day this shift of capital may not concern factors limited to Greece only, so a good performance of the Greek economy especially at a macro level but more importantly in the field of structural reforms will convince investors to maintain their interest for our market. However, at this stage it is not easily measurable whether this possible turn may result to

frail demand and lukewarm appetite from the foreign investors side.

On the other hand, the continued interest of domestic players is expected to underpin the market and progressively boost the interest of foreign investors, a situation that is going to become the driver of a new upward circle leading to higher rental levels and to yields compression.

Long-term outlook

The new environment that was created in the office sector due to the pandemic has pushed the business world to start thinking about forms of work that a few months ago were not widespread adopted. The pandemic is expected to lead to a new reality in the way we perceive modern workspace, while our perception about public space has changed in general. At the moment, and as humanity has not yet escaped the danger of the pandemic, it is impossible to predict how the market will shape in the long run and - most importantly - how companies will change their modus operandi by creating more flexible work patterns and different concepts of workspace, which will rely more on digital rather than physical aggregation. We are of the opinion that the need for physical workspace will never stop, while for some business types it may increase (e.g. business outsourcing services). In any case, it is well-accepted that our perception of public space has changed in order to adapt to the new normality, especially in terms of health and safety standards. The use of new materials, new specifications for MEP equipment, more intense use of sustainable design and construction, all are steps that will support the improvement in the operation of the public space.

2.1.2. Greece

After almost 8 years of depression the Greek economy showed the first signs of recovery in 2017 something which was also reflected in the traditional sectors of tourism and real estate. Between 2017-2019 the Greek real estate market performed well due to the improved economic climate and the return in investor's confidence, a situation that progressively led to increasing investment activity. During the whole of 2019 investment activity in almost all real estate sectors continued growing supported by the strong macro-economic performance in Greece and the rest of the Eurozone something that was also reflected in the returns of the 10-year Greek Government Bond (GGB), which plummeted to historic low levels of less than 1.00% (September 2020).The optimism for the growth prospects of the Greek economy pushed investors in a rally to take positions in good quality real estate assets something that compressed yields to pre-crisis levels while the simultaneous increase in occupier's demand for good commercial space had as implication the rapid increase in rents, especially in the prime sub-markets.

This trend continued during the first two months of 2020 with the market being bullish in terms of both occupier's demand due to new expansion or relocation plans of the companies but also because of the high liquidity of investors who were interested to grow and diversify their portfolios with new income producing properties. At the same time many development plans either greenfield or value-add with promising turnaround prospects were in the pipeline by Greek REICs, foreign private equity funds and other investors (e.g. family offices, developers etc), further underpinning the good climate in the real estate market. The increased market activity and the prospects of growth fuelled the interest of foreign investors who started seeking opportunities for an entry in Greece with sectors such as hospitality and offices to lead the way followed by logistics and retail. The sale of NPLs by Greek banks also continued attracting the interest of large foreign investors such as Apollo, Bain, Fortress, Pimco etc. who have acquired portfolios by placing more than €1.5 bn in the market. This was also a sign of their ongoing confidence in the growth prospects of the Greek real estate market.

The COVID-19 outbreak which had as a result the imposition of a lockdown in March and April 2020 impacted the economy in a non-symmetric way and drastically affected the real estate market having as a result investment activity grinding to a halt for the

rest of H1 since most investors adopted a “wait and see” stance.

So far, although activity has almost ceased for several months, we have not observed major changes in rental levels but on the other hand the number of deals was rather limited since on the occupiers end relocation and or/expansion plans were postponed until decision makers have a clearer view on the situation especially with regards of the financial soundness of the companies and the capacity and speed of businesses to adapt while on the investment end portfolio managers prefer to have a clearer view as to the direction that the market will follow in the main real estate sectors. As a result, comparative transactions are very few and trading is minimal and certainly not adequate to provide us with a clear picture as to the direction and trends that will prevail in the different market sectors. In terms of yields, there is currently no measurable decompression trend in the Greek market despite the negative climate and the increased uncertainty caused by the lockdowns about the duration of the current crisis and its impact on the real economy and the property market.

The logistics sector

The logistics sector is the winner in attracting investment interest during 2020. This is mainly due to the fact that e-commerce surged not only in Greece but across Europe during the lockdown, as it became the safest way of shopping and possibly the only channel for buying non-essential goods. This has led to a dramatic increase in demand for logistics space something which has further enhanced an already existing trend. As a result of this developing trend, we witnessed improved investment volumes especially in H2 2019 and onwards. The Greek logistics market was not an investment priority and therefore did not quite follow the European trend in shifting towards large-scale developments that others countries such as the UK, Romania and Poland witnessed in this sector. Surging online retail sales combined with the fact that consumer footfall still remains markedly down on pre-Covid-19 levels are expected to increase the pent-up investor demand for prime logistics facilities.

The global pandemic has created new opportunities and a shift in demand towards the logistics sector as investors are looking for both warehousing space and distribution centers in prime industrial areas of Athens and Thessaloniki. In this context Trastor REIC closed two transactions in Aspropyrgos when acquired two logistics buildings for a total amount of c. €4.2 mn. We expect that 2020 will end with increasing transactional volumes in the logistics sector compared to 2019 and 2018 respectively. This is also proven by the latest announcements of Pasal and BriQ who have announced the acquisition of large distribution and logistics centres in Aspropyrgos and Mandra respectively, placing more than €65 m in this sector with other established players to follow with investments of similar size. From our market intelligence, we know that both domestic and international real estate investment companies have set new investment strategies focusing on logistics units, situated in industrial zones of Attica. Currently, more than 90,000 m² of Grade-A modern warehousing space are under development with at least 35,000 m² of additional space being in the pipeline and on the final stage of negotiations; thus, making the investment volume for acquisition and development to approach more than €150 mn during 2020.

2.2. Approach to valuation

For the calculation of the Fair Value we have used the Income Approach (Investment) and more specifically the Discounted Cash Flow (DCF) method. According to this method, the value of the property is determined by the income that it will or is expected to produce in the future, subject to several assumptions. We then discount the annual income stream with an appropriate discount rate, which is set in order to reflect a number of factors such as the state of the economy and the general level of interest rates, the type and the location of the property, its future rental growth expectations, the security of the income, the size of the investment and the life and obsolesce of the property.

2.2.1. Rental Comparables

We have surveyed the local market in order to identify comparable evidence that refer to lettings in the surrounding area of Thriassio. Our findings, as well as the relevant adjustments are shown in the following table:

Industrial Lettings

s/n	Description Subject property	Surface (m²)	Rent (€/month)	Rent (€/m²/month)	Age (Tax Val.) *0*		Asking price	Locatin	Size	Characteristics	Adjusted rent (€/m²/month)
1	Aspropirgos, ground floor warehouse measuring 13,062 m², in excellent condition. Recorded	13,062.0	51,312	3.9		0%	0%	0%	0%	0%	3.9
2	Aspropirgos, ground floor warehouse measuring 19,031 m², in excellent condition. Recorded	15,492.0	78,050	5.0		0%	0%	0%	0%	0%	5.0
3	Aspropyrgos, dry storage warehouse, 4,000 m², in excellent condition	4,000.0	16,000	4.0		0%	0%	0%	-10%	+5%	3.8
4	Aspropyrgos, near NATO av., dry storage warehouse, 7,600 m², 9m height, in good condition	7,600.0	33,000	4.3		0%	0%	0%	-5%	+5%	4.3
5	Aspropyrgos, industrial warehouse with a total surface of 16,685 sq.m, in good condition	16,685.0	70,500	4.2		0%	0%	0%	0%	0%	4.2
6	Aspropyrgos, Industrial warehouse with a total surface of 7,348 sq.m, in good condition	7,348.0	29,400	4.0		0%	0%	0%	-5%	0%	3.8
7	Aspropyrgos, dry storage warehouse, 19,000 m², in good condition.	19,000.0	78,000	4.1		0%	0%	0%	0%	0%	4.1
8	Elefsina, Grade A industrial warehouse with a total surface of 18,000 m², in good condition	18,000.0	72,000	4.0		0%	0%	0%	0%	0%	4.0

From the comparable evidence we understand that the rents for warehouses in the area range between €3.8/m²/month and €5.0/m²/month and they refer to warehousing units with similar characteristics (i.e. location, accessibility, age, construction technology, height etc.). Based on the characteristics of the subject property we have adopted the following rent profile depending on the use of each area:

Use	Rental Value
Storage B	4.00 €/m²/month
Office	4.50 €/m²/month
Storage A	4.50 €/m²/month
Other	0.00 €/m²/month

2.2.2. All Risks All Risks Yield

Comparing similar properties available in the market, we believe that the Exit Yield should be in the order of 8.25% which we consider to be appropriate. Most transactions of similar units in the market reflect Initial Yieldσ in the range of 8.00%-8.50%.

2.2.3. Discount Rate

Taking into consideration the characteristics of the subject property, the current market trends the future prospects (supply & demand), the financial adequacy of the tenants to pay the agreed rents (tenant covenant), the rems of existing leases and the fact that the current rents are at the market level or even lower, which provides security for the tenant's stay, we are of the opinion that the discount rate should be in the order of 9.75%, which we believe is reasonable and fully reflects the prospects and risks of the Investment.

2.2.4. Valuation Assumptions

For the calculations of our model, we have used the below:

- Market Growth: 1.5% per annum
- As Consumer Price Index (CPI) projection we have used the average of the projections of Oxford Economics and IMF respectively, which are shown in the following table. Any related figures are calculated accordingly.

	2021	2022	2023	2024	2025	2026	2027	2028	2029
Oxford Economics	+0,80%	+1,90%	+1,60%	+1,50%	+1,50%	+1,70%	+1,90%	+2,00%	+2,00%
IMF	+0,70%	+0,90%	+1,00%	+1,60%	+1,80%	+1,80%	+1,80%	+1,80%	+1,80%
Average	+0,75%	+1,40%	+1,30%	+1,55%	+1,65%	+1,75%	+1,85%	+1,90%	+1,90%

- Management costs: 2.0% of the total income
- Vacancy after lease end: 2 months
- Leasing Agency Fee: 1 monthly rent
- Sale costs: 2.0% of the gross selling price

2.3. Valuation

Having carefully considered the property, as described in this report, we are of the opinion that as at 31-12-20 the Fair Value of the freehold interest, subject to and with the benefit of the current lease agreements is € 20.834.472, which is rounded to **€ 20.850.000** (Twenty Million Eight Hundred Fifty Thousand Euros).

The detailed cashflow projections are shown in Appendix 3.1 below.

3. Appendices

3.1. Appendix 1

Elefsina	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	Year 1 Δεκ-21	Year 2 Δεκ-22	Year 3 Δεκ-23	Year 4 Δεκ-24	Year 5 Δεκ-25	Year 6 Δεκ-26	Year 7 Δεκ-27	Year 8 Δεκ-28	Year 9 Δεκ-29	Year 10 Δεκ-30
Rental Revenue										
Potential Base Rent	1,534,268	1,534,268	1,527,817	1,519,268	1,519,268	1,599,346	2,031,480	2,061,763	2,092,500	2,123,699
Free Rent	0	0	0	0	0	-335,640	0	0	0	0
Scheduled Base Rent	1,534,268	1,534,268	1,527,817	1,519,268	1,519,268	1,263,706	2,031,480	2,061,763	2,092,500	2,123,699
CPI Increases	857	12,007	32,332	52,678	76,590	85,159	0	0	0	0
Total Rental Revenue	1,535,125	1,546,275	1,560,148	1,571,946	1,595,858	1,348,865	2,031,480	2,061,763	2,092,500	2,123,699
Total Tenant Revenue	1,535,125	1,546,275	1,560,148	1,571,946	1,595,858	1,348,865	2,031,480	2,061,763	2,092,500	2,123,699
Potential Gross Revenue	1,535,125	1,546,275	1,560,148	1,571,946	1,595,858	1,348,865	2,031,480	2,061,763	2,092,500	2,123,699
Effective Gross Revenue	1,535,125	1,546,275	1,560,148	1,571,946	1,595,858	1,348,865	2,031,480	2,061,763	2,092,500	2,123,699
Operating Expenses										
Management costs	30,703	30,926	31,203	31,439	31,917	26,977	40,630	41,235	41,850	42,474
Total Operating Expenses	30,703	30,926	31,203	31,439	31,917	26,977	40,630	41,235	41,850	42,474
Net Operating Income	1,504,423	1,515,350	1,528,945	1,540,507	1,563,941	1,321,888	1,990,850	2,020,528	2,050,650	2,081,225
Leasing Costs										
Leasing Commissions	0	0	0	0	0	167,820	0	0	0	0
Total Leasing Costs	0	0	0	0	0	167,820	0	0	0	0
Total Leasing & Capital Costs	0	0	0	0	0	167,820	0	0	0	0
Cash Flow Before Debt Service	1,504,423	1,515,350	1,528,945	1,540,507	1,563,941	1,154,068	1,990,850	2,020,528	2,050,650	2,081,225
Cash Flow Available for Distribution	1,504,423	1,515,350	1,528,945	1,540,507	1,563,941	1,154,068	1,990,850	2,020,528	2,050,650	2,081,225
Property Resale @ 8.25%										25,603,124
PV of Cash Flow @ 9.75%										10,098,286
	1,442,135	1,323,527	1,216,875	1,117,035	1,033,274	704,279	1,091,960	1,009,784	933,794	863,523
Total Unleveraged Present Value	**20,834,472**									

savills.gr | kentriki.gr

RICS Regulated by RICS

KENTRIKI

An International Associate of Savills