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Attention of Mr. Constantin Pechlivanidis, Chief Property Investment Officer

Friday, 12th May 2023

Dear Sirs,

Executive summary - valuation report of a development asset “Kyrillos II” on 86 Parodos B str. in the area of Kyrillos, Municipality of Aspropyrgos, Regional Unit of Western Attica, Region of Attica, Decentralized Administration of Attica, 193 00, Greece.

Location & Description

The subject property is situated on the address of “Padodos B” street and is assigned the numbering 86 at “Lofos Kyrillou” north of ‘Attiki Odos’ and at a relatively close distance from it (approximately 500m). The nearest junction of ‘Attiki Odos’ is number 4 and is located 1.8 km from the property. Land use in the immediate vicinity is by a large majority commercial warehouses, ranging from small to very large scale. Aspropyrgos has a mixed planning policy in the uses of land. Except from the residential part that is part of the section between the Athens-Corinth National Road and the ‘Attiki Odos’ Highway, in Aspropyrgos other uses of land exist, such as industrial. The latter are located in the section of Aspropyrgos that surrounds Nato Avenue and the Athens-Corinth National Road. A significant number of warehouses have been developed with significant intensity during the last 15 years in various parts of Aspropyrgos, mainly in close proximity to ‘Attiki Odos’ (north and south of it). Although Aspropyrgos is considered one of the most degraded areas of Attica for residential use, as it mainly attracts to industrial uses such as distribution centres, logistics etc. In fact, the area is one of the most attractive areas for such uses, mainly due to the easy accessibility to and from the network of national highways (via ‘Attiki Odos’) and the port of Piraeus via the railway line that connects the port with the Thriasio field.

The subject property is a logistics asset which is currently being developed. Its maximum height is expected to be 14 m and at least 4 loading bays. Below we attach the surfaces of the property as a fully developed asset:

s/n	User	Level	Use	Surface (m²)
1	Tenant	Ground floor	Storage	10,795.39
2	Tenant	Ground floor	Office	251.23
3	Tenant	1st floor	Office	251.23
				11,297.85

Tenure

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 value.

The property, on completion is bound to a pre-agreement lease contract. The basic terms of the agreement are the following:

- Lease start: Upon completion
- Lease duration: 9 years
- Lease expiry: 9 years after completion
- Indexation date: Annually on lease anniversary
- Indexation pattern: CPI +1%
- Payment schedule: Monthly
- Rent payable per month:
  - First year of the lease: € 57,997.29/month (up to 5% increase depending on final built area)

Market commentary

Greece

After a dynamic recovery of the Greek economy in 2018 and 2019, the real estate market reinstated its position as one of the main growth factors of the economy. The return in investors' confidence and the economic stability which was reflected by the performance of the 10-Y Greek bonds that plummeted to historic low levels of less than 1%, has unleashed a lot of capital which was focused on Greece in previous years waiting for the right momentum in order to be invested. This flow of "fresh" capital led almost all real estate sectors to a growing performance which was contained to a certain degree by the Covid-19 outbreak in March 2020. The shock from such an unexpected event became a severe hit to the global economic activity and inevitably affected the Greek economy which moved to negative grounds in terms of GDP growth as was the case for all the other European markets. On the other hand, and after the initial shock, the optimism for the growth prospects of the Greek economy pushed investors in a rally to take positions in good quality real estate assets during H2 2020, a trend that continued over in 2021. This has led to some significant yield compression that in certain cases pushed yields to pre-crisis levels and in specific sectors such as logistics to move to historic low grounds. The simultaneous increase in occupier's demand for good commercial space has also led to a rapid increase in rents, especially in the prime sub-markets.

However, another unexpected event hit the Greek economy, in the form of the 2022s geopolitical crisis and its subsequent energy crisis. Due to the increases in government bonds across Europe and the European's Central bank increase in loan interest rates, the Greek 10Y government bond rose from 1.5% in January 2022 to almost 4% in the end of H1 of 2022. These increases in the rates of capital markets have guided the domestic banks interest rates to continue increasing. These practices along with the inflationary indices which are affecting the yields of investors and the rising costs of raw materials and energy, have greatly affected construction activity and especially the projections of on-going projects. Estimations by the National Statistical Service of Greece are placing construction costs with a y-o-y increase of around 20%, however based on data from non-government sources, these uplifts in construction costs are placed in the range of 35% to 40% especially as regards non-conventional constructions which adopt "green" design principles.

Despite the inflation pressures, the Greek economy has shown a growth rate at around 6%, a fact that has resulted from the booming private consumption and services export. The remarkable tourist season had a great deal in these results; however, investment has started to slow down from Q2 of 2022, with the labor markets slowly improving, and with the unemployment rate being at 12.2% on Q3. This growth in GDP is expected to slow in 2023 with the real GDP forecast of the European Commission being at 1.0%. One important subject is the wage growth that is expected to fall behind the inflation, with the government taking measures in order to directly increase household income and sustain demand, and tackle the rising energy costs.

The industrial sector

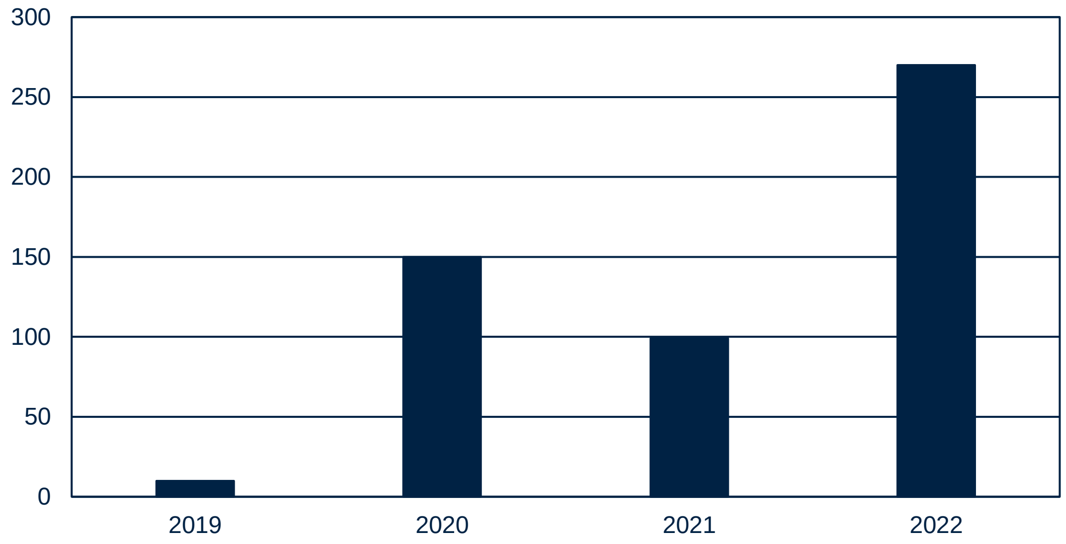
The industrial/ logistics sector is at the forefront of investment activity during the last two years. This is mainly due to the fact that e-commerce surged not only in Greece but across Europe during the lockdown, as it became the safest way of shopping and possibly the only channel for buying non-essential 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.

The Greek logistics market was not an investment priority and therefore did not quite follow the European trend in the previous years, something which resulted to large-scale developments in others countries such as the UK, Romania and Poland that witnessed a surge of investments in this sector. Enhanced 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 centres in prime out-of-town industrial areas of Athens and Thessaloniki but also in inner city locations for the development of "last mile" units.

In 2022, the logistics industrial market performed the best regarding the total investment volume that was recorded reaching a record-breaking year of c. €280 mln. of stock being transacted. The graph below presents the comparative performance of the logistics market over the last few years:

Industrial Transaction Volume, 2019 vs 2020 vs 2021 vs 2022



Seeing the long-term development of Greek e-commerce, ACS is about to complete the construction of the new modern parcel sorting center (hub), a 30,000 m². building, in Egaleo, with state-of-the-art automatic sorting machines. On the other hand, in their effort to produce modern logistics stock the Greek REIC's have increased the land which have under their freehold possession. More specifically BriQ REIC, is currently developing in the area of Aspropyrgos storage facilities of c.40,000 m², with prospects of increasing to at least c.60,000 m². The first stage of the development was delivered in February 2022 a state-of-the-art high specification warehouse facility of 20,808 m² which was fully pre-leased to a single tenant. The second stage is currently under development and consists of the expansion of the 1st stage with additional 4,500 m² of storage space. The last stage of the development is expected to start construction at the end of 2022 with a development duration of 12 months.

Trastor REIC, confirming its focus on the industrial sector, acquired a plot of 16,013 m² at Melissia Aspropyrgos, just opposite the Thriasio Freight Center. With this purchase, the abovementioned company gathered a total land of 78,700 m². in the area, in which it intends to create a large storage and distribution center, with a total area of 31,300 m². Moreover, the same REIC announced the acquisition of 100% of the shares of Pelea Ktimatiki, owner of a land plot with a total area of 39.9 thousand m². in Aspropyrgos, Attica, where a modern cooling, storage and distribution center will be built with an estimated total area of 22,000 m² environmentally certified according to the international standards.

Trade Estates REIC, is directed to invest in a logistics center in the area of Eleusina which will take place in a land plot of 62,000 m². The company has already built permit to develop the logistics hub which is going to add approximately 55,000 m² of Grade A warehousing space. The total development costs for such investment are in the order of €22.75 mln.

Furthermore, the same group also invested at least another € 4 mln to expand the company's warehouse in Schimatari area, to which it added about 7,500 m² to meet the growing needs of e-commerce and sales.

A major investment that took place in Q4 2022, in Northern Greece, and more specifically in the area of Sindos, by DIMAND, who acquired a large plot that used to host the operations of an old industrial factory, has plans to redevelop the site and offer in the upcoming years approximately 100,000 m² in the north logistics market of prime logistics space as demand for space in North Greece has increased drastically over the last year.

It is estimated that in the next couple of years approximately 300,000 m² of new modern warehousing space will be dropped in the market either from Greek REIC's investment frenzy or from private equity funds. This trend shows the increased levels of demand for certified storage space that currently exists in the domestic market.

By and large, investors will continue seeking to acquire land plots and older industrial assets in order to satisfy the positive momentum which comes as a result of the country's economic growth and its increased strategic importance as a transport hub and gateway of products from Asia and other parts of the world to Europe.

This trend has led to the compression of yield levels and the increase of rents per m², with prime rental levels for Grade-A warehouses for 2022 to be set at 5.00€/m²/month a level that is expected to grow even more in the forthcoming years.

Although there are headwinds in the global economy the Greek Industrial/Logistics market will remain resilient and continue its good performance in 2023 offering investors solid grounds for competitive yields and sustainable rental levels. Supply of warehouses in Attica's market is following an increasing trend in order to meet the demand that exists in the market. To this end, more than 130,000 m² are expected to be developed and delivered until the end of 2023 in the main logistics sub-markets.

Special Assumptions

Our valuation has been carried out under the special assumption that on the valuation date:

"At the valuation date the property has been fully developed, and the property is readily available to be leased, with no remaining hindrance outstanding in terms of planned development potential."

Approach to valuation

In order to calculate the value of the subject property, we proceeded to use a combination of the Market Approach and the Income Approach. Regarding the Market Approach the Comparative Method is used whilst for the Income Approach a 10-year Cash Flow Discount (DCF) is applied.

According to the Market approach and more specifically with the Comparative method, a real estate market survey is carried out during which data on the sale of properties similar to the property under valuation is collected. Similar properties are treated as comparative elements which can capture the behaviour of the local market. Nevertheless, based on the heterogeneity of the real estate market, adjustments must be applied to the comparative data, so that they realistically reflect the peculiarities and characteristics of the subject property. The adjustments can be applied to simulate internal characteristics of the property such as technical characteristics or external characteristics such as the market dynamics of the respective property. After the adjustment process, it is possible to calculate the price of the property from the adjusted values of the comparative data.

Regarding to the Income Approach, according to this contemporary method of valuation the current and future cash flows generated by the property in the form of income are discounted to the present to reflect the time value of money by using as discount rate the Target Rate of Return (TRR) of an average market investor. At the end of the analysis period (10 years) the exit value of the property is calculated by capitalizing the 11th year's gross cash flow with the use of the Exit Yield which is equivalent to the All-Risks Yield (ARY). The ARY is determined by comparing Gross Initial Yields of similar investments and taking into consideration the particular characteristic of the property both structural and locational, the dynamics of the local property market and the general climate of the economy. The Exit Value is discounted to the present by using the TRR. The TRR is selected carefully to reflect the property characteristics, the investment prospects, the local property dynamics and the general climate of the economy. The sum of the discounted cash flows is the Net Present Value of the property.

Market Approach

Considering the location and the specifications that the property will have we apply a different rate for both uses. We understand that the area of Aspropyrgos, for properties with similar characteristics, location and features the adjusted sale price is € 840 /m². For valuation purposes we apply the following sale values per use:

Use	Surface (m²)	Price	Value
Storage	10,795.39	840 €/m²	9,068,128 €
Office	502.46	840 €/m²	422,066 €
	11,297.85		9,490,194 €

Investment Approach

Considering the location and the specifications that the property will have we apply a different rate for both uses. We understand that the area of Aspropyrgos, for properties with similar characteristics, location and features the adjusted sale price is € 5.2 /m²/month. For valuation purposes we apply the following rental values per use:

Use	Rental Value
Storage	5.20 €/m²/month
Office	5.20 €/m²/month

Valuation assumptions

Having considered the current property market dynamics and its prospects we have applied the following market rents and rates:

- All Risks Yield: 7.50% for the property
- Discount Rate: 9.00% which is used as a discount rate of the cash flows
- Annual rental growth: 1.50%
- Management costs: 2.0% of the total rental revenue
- Selling costs at the exit price: 2.0% of the resale price
- 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.

Greece	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Oxford Economics	+4.94%	+0.28%	+0.50%	+1.60%	+1.97%	+2.01%	+2.02%	+2.02%	+2.02%	+2.02%	+2.02%
IMF	+3.20%	+1.62%	+1.78%	+1.83%	+1.91%	+1.91%	+1.91%	+1.91%	+1.91%	+1.91%	+1.91%
Applied average	+4.07%	+0.95%	+1.14%	+1.71%	+1.94%	+1.96%	+1.96%	+1.96%	+1.96%	+1.96%	+1.96%

Market value

In order to calculate the Market Value of the property we have used the combination of the two approaches as described above with a weighting of 20% for the Market Approach and 80% for the Income Approach. The final calculated value is shown below:

Method		Weight	Weighted
Comparative	€ 9,490,194	20%	€ 1,898,039
Investment	€ 9,582,734	80%	€ 7,666,187
		100%	€ 9,564,226

Valuation

We have carefully considered the property and we are of the opinion that, as at the date 10-05-2023, the Market Value of the freehold interest, subject to and with the benefit of the development scenario is € 9,564,226 which is rounded to **€ 9,550,000** (**Nine Million Five Hundred Fifty Thousand Euros**).

We hope the above are sufficient to you but should you have any queries please do not hesitate to contact us. We look forward to hearing from you at your earliest convenience.

Yours sincerely,

For and on behalf of **KENTRIKI Property Valuers & Consultants Private Company** with distinctive title Savills Hellas Private Company

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