



FINANCIAL ADVISOR REPORT
PURSUANT TO ARTICLE 15 OF THE LAW 3461/2006
"IMPLEMENTATION OF DIRECTIVE 2004/25/EC ON TENDER OFFERS INTO NATIONAL LAW"

TO THE BOARD OF DIRECTORS OF
«PASAL Real Estate Development S.A.»



REGARDING THE MANDATORY TENDER OFFER OF
«STERNER STENHUS GREECE AB»
FOR THE PURCHASE OF ALL COMMON REGISTERED SHARES
WITH VOTING RIGHTS OF
«PASAL REAL ESTATE DEVELOPMENT»

7th OCTOBER 2020

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1. Information on the Financial Report under Article 15 of Law 3461/2006¹

In the context of the voluntary tender offer made by the company STERNER STENHUS GREECE AB» (hereinafter the "Offeror") for the acquisition of all shares of "PASAL REAL ESTATE DEVELOPMENT S.A" (hereinafter the "Company" or "PASAL"), which the Offeror and/or the persons acting in concert (hereinafter "Persons Acting in Concert") did not hold, directly or indirectly, as of 31st July 2020 (hereinafter the "Date of the Tender Offer") (hereinafter "Tender Offer"), a service contract was signed on 20th August 2020 between "BETA Securities S.A". (hereinafter the "Financial Advisor") and the Company, for the provision of the Financial Report (hereinafter the "Report") under Article 15, paragraph 2 of Law 3461/2006, as in force (hereinafter the "Law").

Following the first section of paragraph 1 of Article 9 of the Law and the terms and conditions set out in this Offering Document approved by the Hellenic Capital Market Commission (hereinafter HCMC) on 30th September 2020 (hereinafter the "Offering Document"), the Offeror offers: (i) The amount of €0.71 (hereinafter the "Offer Price" or "the offer consideration") for each tendered share for which the Tender Offer is lawfully and formally accepted.

With respect to the preparation of the Report, the Financial Advisor points out the following:

1. To formulate the views which are expressed in the Report, we reviewed: i) The Offering Document, as approved by the Hellenic Capital Market Commission on 30th September 2020 ii) The Offeror's Prospectus as approved by the Hellenic Capital Market Commission on 17th June 2020 for the Tender Offer of New Company's Shares after Share Capital Increase and the listing of the New Shares of the Company on the "Under surveillance" category of the Regulated Market of A.S.E., based on the decision of the Extraordinary General Meeting of Company's Shareholders dated 02.12.2019 and the decision of Company's Board of Directors on 25th May 2020, iii) the valuation report by Grant Thornton S.A. Chartered Accountants and Management Consultants (hereinafter the "Valuator"), dated 17th July 2020, relating to the valuation of Company's shares, in accordance with Paragraph 7 of Article 9 of the Law (see section 2.4 "Offer Price") (iv) the valuation reports carried out by Company's independent regular valuers for the properties of Group's real estate portfolio on 31st December 2019, v) the valuation reports carried out by independent regular valuers for the properties of Group's real estate portfolio on 31st June 2020 vi) publicly available financial information about the Company and the Group and vii) data and information provided by Company's executives. In addition, to the extent possible, by using publicly available information as well as information in databases the Financial Advisor has access to, although we did not independently confirm that information, we carried out the procedures described in the section 6 "Valuation of the Tender Offer's Offer Price" hereof.

2. For the purposes of our Report, we assumed that all information which was either provided or made available to us in some other way by the Company or on its behalf, or was publicly available (including, without limitation, the information described above) was complete and accurate in all material respects and we have not carried out any independent verification of that information. Regarding historical, business and financial information, we assumed that the information accurately reflects the actual business and financial position of the Company on the date that information refers to. We did not undertake, and do not undertake, any legal or other responsibility for the said information and have relied on assurances from the Company management that they are unaware of any facts or circumstances which could render the said information inaccurate or misleading.

3. This Report does not include nor have we carried out any valuation or independent assessment of the Company's significant assets. We have not carried out any due diligence on the Company or the affiliated companies. We have not communicated with any Company's tenant. We have not carried out any legal or financial due diligence of the Company or its affiliated companies or their individual assets and we have not assessed the impact of possible

¹ Terms in capitals, unless otherwise inferred, have the meaning given to them in the Offering Document

outstanding court, administrative or other cases on their actual assets. We have not explored, nor we assume any responsibility in relation to the ownership or any claim against the Company's and its affiliated companies' assets.

Although we have used, where appropriate, several assumptions, judgements and estimates, which we consider to be reasonable and appropriate under the circumstances, it is not possible to confirm the accuracy and completeness of the assumptions, judgements and estimates used.

4. In addition, the Report does not examine the consequences of the Tender Offer or the transactions related to it or the fairness and reasonableness of the Offer Price for creditors or other persons who have interests in the Company or regarding contracts which the Company has signed with those persons.

5. Our Report is based on the financial, economic and market conditions that applied on the date it was prepared, and on information which we have at our disposal and can be evaluated on the date of this Report. We express no opinion about whether those conditions will continue to exist or about any impact a change in those conditions would have on the views expressed herein. It goes without saying that subsequent developments and other information which become available after this date could affect the Report. We do not undertake to provide advice to anyone about changes in circumstances or issues affecting our Report which are communicated to us after the date of the report and we assume no responsibility whatsoever to update, revise or verify the Report. The views expressed herein are also subject to uncertainties associated, inter alia, with key factors such as future developments in the macroeconomic environment and geopolitical developments both in the Eurozone and at global level, developments in the regulatory and legislative framework, and the intensification of competition in the industries and markets the Company's Group operates.

6. We have prepared our Report on the assumption that the Tender Offer will be completed on the terms set out in the Tender Offer transaction documents, without any amendment or any breach of term or condition therein. It should also be noted that we have not provided, and do not provide, advice about the structure, specific Offer Price or other aspects of the Tender Offer, nor have we been involved in any negotiations about the terms of the Tender Offer and related transactions. Therefore, we have assumed that these terms are the most beneficial ones for the Company and we do not express any opinion on whether any alternative transaction could lead to a more favourable for the Company's shareholders consideration than the one specified in the terms of the Tender Offer, nor did we examine the relevant benefits of the Tender Offer and its related transactions, compared to any alternative or opportunity potentially available to the Company.

7. It is noted that this Report is submitted to the Company's Board of Directors, has been prepared under Article 15 of the Law, and is not a proposal or recommendation to enter into any transaction involving the financial instruments to which it relates, nor investment advice to buy or sell shares either within or outside the context of the Tender Offer. Our views included in this Report are provided solely to the Company's Board of Directors to assist it in financially assessing the Tender Offer. We assume no responsibility to any person, including Company shareholders, other than that arising from the capacity of Financial Advisor under Article 15 (2) of the Law. We do not provide Shareholders with any opinion about the fairness or reasonableness of the Offer Price nor about the Reasoned Opinion which the Company's Board of Directors will issue. In addition, our Report expresses no opinion about the trading price for Company Shares or Consideration Shares at any point in time. The Company's Board of Directors is obliged to prepare a written reasoned opinion on the Tender Offer and the Financial Advisor is not liable for the content of that opinion, even if the Board of Directors bases its reasoned opinion on the content of this Report.

8. The Financial Advisor and undertakings affiliated to it may in the past have provided or currently be providing the Company or companies affiliated to it with financial advisory, financial services, investment banking and/or other services and may have received or may in the future receive a fee for those services.

2 Brief description of the Offeror and the Tender Offer Terms¹

2.1 The Offeror and the Persons Acting in concert or on its Behalf

The Offeror is a private company under the name «STERNER STENHUS GREECE AB», founded on 8th December 2017, with a registered seat in Sweden (Årstaängsvägen 11, 117 43, Stockholm) and registration number 559138-3608, which legally exists under the law of Sweden.

According to its Articles of Association, the Offeror's scope of activity is the acquisition and management of real estate property, directly or indirectly (through companies in which it participates), as well as related business activities.

Under the Tender Offer's Offering Document, the persons acting in concert with the Offeror, per Article 2 (e) of the Law (the "Persons Acting in Concert") are Mr. Elias Georgiadis, as the Offeror's ultimate controlling person within the meaning of Article 3§1(c) of Law 3556/2007, as well as (i) the persons controlled within the meaning of Article 3§1(c) of Law 3556/2007 by Mr. Elias Georgiadis and directly or indirectly hold Shares of the Company, i.e. the company under the name "Sterner Stenhus Holding AB" with a registered seat in Stockholm, Sweden, the Offeror's parent company (which directly holds 10,330,852 Shares representing 61.35% of total Company's voting rights), (ii) the persons controlled within the meaning of Article 3§1(c) of Law 3556/2007 by Mr. Elias Georgiadis and do not directly or indirectly hold Shares of the Company (iii) the company under the name "Nequiter Invest AB" with a registered seat in Stockholm, Sweden (Narvavägen 32), which directly holds 4,427,508 Shares representing 26.29% of total Company's voting rights and is controlled by Mr. Jan Gosta Lennart Lindeberg and has entered into an agreement with the Offeror to act in concert. Apart from the above, there are no other natural or legal persons acting in concert with the Offeror, within the meaning of Article 2 (e) of the Law.

The Offeror together with the Persons Acting in Concert today hold 14,758,360 Shares representing approximately 87.64% of the total paid-in share capital and voting rights of the Company.

2.2 The Tender Offer

On 2nd December 2019 the Extraordinary General Assembly of Pasa Development S.A. decided the increase of the Company's share capital (the "Increase") by amount of up to €7,483,968, with cash payment, with the issuance of 14,967,936 new common registered shares with voting rights and nominal value of €0.50 each and the option to partially cover the above share capital increase of the Company, in accordance with the Article 28 of Law 4548/2018. The issue price of the shares of the Increase was determined by the Company's Board of Directors on its meeting on 25th May 2020 at €0.67 per share, while the premium/above par of up to € 2,544,549 would be credited to the special account "Premium / above par".

¹ Source: The Offering Document of the Tender Offer (as approved by the Board of Directors of Hellenic Capital Market Commission on 30.09.2020). Terms in capitals, unless otherwise inferred, have the meaning given to them in the Tender Offer's Offering Document.

More and detailed information regarding the Mandatory Tender Offer can be found in the Tender Offer's Offering Document ("the Offering Document"). Copies will be available free of charge at the Offeror's registered seat and the Adviser's and Tender Offer Agent's registered seat and branches to any Shareholder wishing to obtain it. Electronic copies of this Offering Document will also be available free of charge on the Adviser's website (<https://www.alpha.gr/el/idiotes/ependuseis/xrimatistiriakes-upiresies/enimerotika-deltia>), of HELEX (www.helex.gr) and the HCMC (www.hcmc.gr). The Offeror does not have a website.

Previously, on 16th October 2019, the Company signed a private agreement with inter alia Alpha Bank and the Offeror (the "Investor Agreement") through which the Offeror undertook the obligation to capitalise the Company, either alone or jointly with one or more of Mr. Elias Georgiadis' interest companies through its participation in the Increase and specified the way of settling the claims of Alpha Bank, as they were defined in the Company's Consolidation Agreement which was ratified with the Athens Court of First Instance's decision 712/29/8/2019.

The Investor Agreement, as amended with the 16th March 2020 and 26th June 2020 private contracts and Sterner Stenhus Greece AB's letter dated 26th May 2020 provided among others that Sterner Stenhus Greece AB would capitalise the Company by the amount of €10,000,000 by participating in the Increase, acquiring Company shares representing at least 55.86% of its post Increase share capital. Through coverage of the Increase's unallocated shares, the Offeror acquired 14,758,360 of the total 14,967,936 new shares and therefore, on the date of the new shares listing deriving from the Increase, i.e. on 15th July 2020, the shares it holds represent approximately 87.64% of the total paid-in share capital and voting rights of the Company. Therefore, under Article 7 Paragraph 1 of the Law, on 15th July 2020 the Offeror was obliged to submit the Tender Offer, as it directly holds 87.64% of the total voting rights of the Company, i.e. more than one third (1/3, 33.33%) of its total paid-in share capital and voting rights.

Following the transactions carried out on 20th July 2020 and 17th August 2020, the Offeror and the Coordinated Persons hold the Shares described below:

In the context of the Tender Offer the persons acting in concert with the Offeror, per Article 2 (e) of the Law (the "Persons Acting in Concert") are Mr. Elias Georgiadis, as the ultimate controlling person of the Offeror within the meaning of Article 3§1(c) of Law 3556/2007, as well as (i) the persons controlled within the meaning of the Article 3§1(c) of Law 3556/2007 by Mr. Elias Georgiadis and directly or indirectly hold Shares of the Company, i.e. the company under the name "Sterner Stenhus Holding AB" with a registered seat in Stockholm of Sweden, parent company of the Offeror (which directly holds 10,330,852 Shares representing 61.35% of the total Company's voting rights), (ii) the persons controlled within the meaning of the Article 3§1(c) of Law 3556/2007 by Mr. Elias Georgiadis and do not directly or indirectly hold Company Shares (iii) the company under the name "Nequiter Invest AB" with a registered seat in Stockholm, Sweden (32 Narvavägen Str.), which directly holds 4,427,508 Shares representing 26.29% of the total Company's voting rights and is controlled by Mr. Jan Gosta Lennart Lindeberg, which has entered into an agreement with the Offeror to act in concert. Apart from the above, there are no other natural or legal persons acting in concert with the Offeror, within the meaning of Article 2 (e) of the Law.

The Company's paid-in share capital on the date of the present Report amounts to €8,419,464 and is divided into 16,838,928 Shares, which are traded on the "Under Surveillance" category of the Regulated Market of Athens Stock Exchange (the A.S.E.). According to an Offeror's statement, Article 9, Paragraph 6(b) of the Law was realised in this Tender Offer, as during the six months preceding the Date of 15th July 2020, i.e. the date on which the Offeror became obliged to submit the Tender Offer, transactions of Shares made did not exceed 10% of the total Shares but amounted to 0.80% of the total.

Following Paragraph 7 of Article 9 of the Law, the Offeror appointed the société anonyme "Grant Thornton S.A. Chartered Accountants & Management Consultants" (the "Valuator") as an independent valuator for the Shares' valuation (the "Valuation") and the preparation of the relevant valuation report (the "Valuation Report"), which was published on 17th July 2020. The price determined by the Valuation amounts to €0.70 per Share.

The Offeror launched the Tender Offer on 31st July 2020 (the "Date of the Tender Offer"), by informing the Hellenic Capital Market Commission (the "HCMC") and the Company's Board of Directors and submitting to the above an Offering Document draft (the "Offering Document"), as well as the Valuation Report, per Articles 10 and 9 of the Law, respectively.

According to Article 9 of the Law, the Offeror pays €0.71 (the "Offer Price") in cash for every Share of the Tender Offer tendered lawfully and officially (the "Tendered Shares") within the Tender Offer acceptance period (the "Acceptance Period").

The Tender Offer concerns the acquisition of all Shares that the Offeror and the Persons Acting in Concert did not hold on the Date the former became obliged to submit a Tender Offer, i.e. on 15th July 2020 and on the Tender Offer Date, i.e. on 31st July 2020, namely 2,080,568 Shares, which represent approximately 12.36% of the total paid-in share capital and voting rights (the "Shares of the Tender Offer").

The Tender Offer will apply regardless of the number of Shares officially offered until the end of the Acceptance Period. The Tender Offer is not subject to any condition. According to the Offer Document, the Offeror is bound to acquire the Shares of the Tender Offer, which will be lawfully and officially tendered to it together with all present and future rights deriving from them, only under the condition that they are free and exempt from any mortgage, encumbrance, restriction, claim, usufruct, or any other judgement awarded to third party

In the period from the Date of the Tender Offer until the end of the Acceptance Period, the Offeror and the Persons Acting in Concert do not intend to acquire additional Shares through A.S.E. or over-the-counter, with the exemption of those offered in the context of the Tender Offer.

On 31st July 2020, the Offeror launched the Tender Offer by informing in writing the HCMC and the Company's Board of Directors about its submission and submitting to them a draft of the Offer Document, under Article 10, Paragraph 1 of the Law, together with the Valuation Report, as provided in Article 9, Paragraph 6 of the Law. The Offer Document has been approved by the HCMC Board of Directors on 30th September 2020, in accordance with Article 11, Paragraph 4 of the Law.

2.3 Right of Squeeze-out – Right to Sell-out

If after the completion of the Tender Offer, the Offeror and Persons Acting in Concert hold in total Shares that represent more than 90% of the total paid-in Share Capital and voting rights of the Company, the Offeror: (a) will not exercise the Right of Squeeze-out following Article 27 of Law 3461/2006 ("Right of Squeeze-Out") as in effect, (b) is obliged to acquire through the stock market all offered Shares within a period of three months after the publication of the Tender Offer's results, in a price per Share equal to the Offer Price ("Right of Sell-Out") of €0.71 per share following the Article 28 of the Law. The Offeror has stated that it will not pursue the delisting of Company's shares from the A.S.E.

2.4 The Offer Price

Following Article 9, Paragraph 4 of the Law, the Offeror intends to pay in cash the Offer Price, i.e. €0.71 for every legally and officially tendered and transferred share of the Tender Offer. Under the Offering Document, the Offer Price meets the conditions for "fair and equitable" consideration under Article 9, Paragraphs 4 and 6 of the Law, i.e. is equal to the maximum of the following i), ii) and iii) cases:

i) the Share's volume weighted average price ("VWAP") in the last six months preceding the date on which the Offeror became obliged to submit the Tender Offer, i.e. on 15th July 2020, amounts to €0.70.

ii) the highest price in which the Offeror or/and any Person Acting in Concert with the Offeror acquired Shares during the last twelve months preceding the date on which the Offeror became obliged to submit the Tender Offer, i.e. on 15th July 2020 amounts to €0.67.

iii) The Offeror appointed "Grant Thornton S.A. Chartered Accountants and Management Consultants" as independent valuator for the valuation and preparation of a Valuation Report, which was published per Article 16, Paragraph 1 of the Law, to determine the fair and valuable consideration, given that the conditions of Article 9, Paragraph 6, case (b) of the Law were realised. The price per Share determined by the Valuation amounts to €0.70 per Share.

Therefore, the Offer Price meets the conditions for "fair and equitable" consideration under Article 9, Paragraphs 4 and 6 of the Law.

More specifically, the Offered Price:

- exceeds by 1.43% the VWAP of the Shares during the six months prior to the date on which the Offeror became obliged to submit a tender offer, i.e. on 15th July 2020, amounting to €0.70.
- exceeds by 5.97% the highest price at which the Offeror or/and the Persons Acting in Concert acquired Shares during the last twelve months prior to the date on which the Offeror became obliged to submit a tender offer, i.e. on 15th July 2020, which amounted to €0.67.
- exceeds by 1.43% the price the Valuator determined according to internationally acceptable criteria and methods, is included in the Valuation Report and amounts to €0.70 per Share.

It is noted that the following amounts will be deducted from the Offer Price to be paid to the Accepting Shareholders:

(a) the specified in the Rulebook for Clearing Transactions in Securities in Book Entry Form, approved under Decision No. 1/704/22.01.2015 of the HCMC's Board of Directors, as amended and in force rights for the clearance of over-the-counter transfer of Transferred Shares (the "Transferred Shares") in favour of ATHEXCSD, which amounts to 0.08% on the transfer value (calculated as the number of Transferred Shares multiplied (x) by the highest one of the following prices: (i) the Offer Price and (ii) the closing price of the Share on ATHEX on the business day prior to the submission of the required documents of the Article 46 to the ATHEXCSD of the Codified Operating Rules of the Dematerialised Securities System, approved with the No. 3/304/10.6.2004 Decision of the Board of Directors of the HCMC, as amended and in force in ATHEXCSD and with a minimum cost equal to the lowest between €20 and 20% of the value of the transaction for each Accepting Shareholder, under Article 7 of the codified Decision No. 1 (meeting 233/28.01.2014) of the ATHEXCSD Board of Directors, as in force, and

(b) the amount corresponding to the tax on the OTC transfer, today amounting at 0.2% of the value of the transaction for the transfer of the Transferred Shares to the Offeror.

2.5 The Offeror's business strategy for the Company

According to the Offering Document, the Offeror's investment in the Company forms part of the broader strategy to further develop and expand the existing real estate portfolio held by it or the companies it controls in the Greek market. Offeror's business strategy mainly focuses on nine Logistics properties and public buildings, such as schools, hospitals or other buildings housing public entities, but may include other properties from which a stable income is expected. The acquisition of the Company's shares by the Offeror will contribute to the development of the Company's activities in the real estate market of Greece, by expanding its portfolio, along the above business strategy.

Already, according to the statement of the Company on 7th August 2020, PASAL DEVELOPMENT S.A. concluded a preliminary agreement with the payment of a deposit of €1.5 million for the purchase of three logistics properties and warehouses located in Aspropyrgos. The properties are fully leased to various tenants and have a Gross Leasable Area of 62,500 sq.m. The value of the purchase amounts to approximately €38 million. The transaction is expected to be completed by the end of 2020 in combination with an increase in the Company's share capital and will be financed

with own funds and bank lending (for which an approval is already granted). This acquisition is part of the investment plan, which stipulates adding to the Company's portfolio quality properties with a high rate of return through long-term leases. PASAL intends to continue investing in the Logistics sector as a strategic choice.

The Offering Document includes the following regarding the Offeror's business plans:

1. The Offeror's investment in the Company forms part of Mr. Elias Georgiadis', the Offeror's ultimate controlling shareholder, broader strategy to further develop and expand the existing real estate portfolio held by himself or the companies he controls in the Greek market. His business strategy mainly focuses on Logistics properties and public buildings, such as schools, hospitals or other buildings housing public entities, but may include other properties from which a stable income is expected. The Offeror's current investments and those of the companies he controls in Greece consist of properties in the fields of Logistics and school buildings through PPP programmes.

2. The acquisition of the Company's shares by the Offeror will contribute to the development of the Company's activities in the Greek real estate market, by expanding its portfolio along the above business strategy. Already, on 7th August 2020, the Company concluded a preliminary agreement for the acquisition of three Logistics properties (warehouses) in Aspropyrgos, with a total area of 62.5 thousand sq.m. and an estimated value of €38 million, leased to various tenants.

3. In the context of the implementation of his business strategy, apart from searching for new investment properties, contributing to the Company part or all of the Offeror's real estate investments in Greece shall also be examined.

4. The Offeror intends to implement the Company's Consolidation Agreement, as it has been further specified with the private agreement of 16th October 2019 between Alpha Bank S.A., the Offeror, the Company, Messrs. Georgios Theodoridis and Sotirios Theodoridis and the subsidiary company under the name "METALLURGICAL COMPANY OF LAVRIO S.A.", as amended and in force, namely to conclude the transfer from the Company's subsidiary, PASAL CYPRUS LTD, of the 70,000 common registered shares worth €1 each issued by DORECO, to National Bank of Greece S.A. or to a legal entity that the latter will indicate and to continue to pay installments for the repayment of Company's debts to TRASTOR REIC and Eurobank S.A.

5. For the implementation of its strategy and its business plans, the Offeror intends to support any Company effort to seek additional funds (through bank lending or/and a new share capital increase) or/and through financing by companies controlled by the Offeror's Group. The intention to increase the share capital and receive bank lending for -among others- financing the recent agreement for the three new logistics properties has already been disclosed. In particular, on 18th September 2020 the Company's Board of Directors announced its decision to proceed with preparatory actions to increase the share capital by contributing the following assets to the Company: (a) 20% of the above three logistics properties (warehouses) located in Aspropyrgos, Attica, worth €38 million, with the remaining 80% to be acquired with purchase in cash, and (b) the total share capital of the company "JPA S.A." which has undertaken the execution of the project "Design, Financing, Construction and Facility Management of ten School Units in the Attica Region with PPP". It is noted that the acquisition of the above properties is still subject to certain conditions, and transfer of shares is under approval by the competent bodies.

6. The Offeror will support any effort the Company makes to seek additional funding should this is required for realizing its plans or improving its financing conditions.

7. The Offeror intends to continue its activities and those of the Company and its affiliated companies and does not plan to change the place of the Company's and its affiliated companies' operations or transfer their seat outside of Greece, with the exception of the Company's participations which already have their seat and are operating outside of Greece.

8. The Offeror will not alter human resources policies or terms of employment for the Company's or its affiliated companies' personnel and will maintain personnel's and executives' existing jobs. The duties and responsibilities of senior managers and the rest of the employees in the Company and its affiliated companies may be adapted and/or modified over time and in any case without adversely changing the terms of employment.

9. The Offeror's acquisition of the Company's control through the successful completion of the Share Capital Increase (9th July 2020) brought changes in the Board of Directors and the appointment of new members, following a decision of the Ordinary General Meeting of Shareholders on 27th July 2020 based on the Offeror's and Persons Acting in Concert's proposal. No further changes in the BoD are anticipated, except for changes to be made following the new corporate governance legal framework.

10. After the Tender Offer's completion, the Offeror will not exercise the Squeeze-Out Right under Article 27 of Law 3461/2006, as in force, and will not pursue the delisting of Shares from ATHEX.

2.6 The Offeror's Adviser and Tender Offer Agent

ALPHA BANK S.A. is acting as the Offeror's Adviser for the purposes of the Tender Offer, per Article 12 of the Law.

ALPHA BANK S.A. is established in Greece, has its registered seat in the Municipality of Athens, (40 Stadiou Str. 102 52) and its General Commercial Registry Number is 223701000. The Adviser is a credit institution entitled to provide the investment services defined in annex I, of the section A, of items 6 and 7 of the Law 4514/2018, as in force. The Adviser does not provide any guarantee for the fulfillment of the obligations undertaken by the Offeror.

The Adviser has countersigned this Offering Document and certifies, following appropriate due diligence, that the contents of Offering Document are accurate.

ALPHA BANK S.S. is acting as Tender Offer Agent of the Offeror, i.e. as bank responsible to receive Acceptance Applications and proceed to all legal actions under Article 18 of the Law.

2.7 The Acceptance Period

Per Article 18, paragraph (2) of the Law, the Acceptance Period will last four weeks, commencing on 5th October 2020 at 08:00 (Greek time) and ending on 2nd November 2020 with the end of opening hours of banks operating in Greece.

3 Company Brief Presentation

3.1 General Information

The Company "PASAL REAL ESTATE DEVELOPMENT S.A" with the trade name "PASAL DEVELOPMENT S.A." was established in 1991 in Greece (previous trade name "THEODORIDIS GROUP OF COMPANIES – Commercial- Industrial- Technical Business Consultants S.A.") under the Greek law. The Legal Entity Identifier of the Company is 213800MU91F1752AVM79. The Company is registered with the Sociétés Anonymes Registry with registration number 25148/06/B/91/29 and with the General Electronic Commercial Registry with registration number 861301000.

According to its Articles of Association, its duration is 95 years (from the date the founding decision was registered in the General Electronic Commercial Registry). Its registered seat is at the Municipality of Athens in Attica and its headquarters are at 10-12 Dorileou Str, (tel. 210 6967600).

On 4th January 2008, trading of the total of 14,967,940 common registered shares of the Company, with a nominal value of €0.50 each, commenced in the ATHEX Securities Market in the sector "Real Estate / Participations & Real

Estate Development", while from 5th April 2013 they are traded in the "Under Surveillance" category, following the decision of 4th April 2013 of the ATHEX Board of Directors, under Article 3.1.2.4 of the ATHEX regulation.

The paid-up share capital of the Company, on the date of the present Financial Advisor Report, amounts to €8,419,464 and is divided into 16,838,928 common, registered, dematerialised shares, with a nominal value of € 0.50 each.

The Company's website is <http://www.pasal.gr>. It is noted that the information contained on the website is not part of this Financial Advisor Report, unless incorporated into the Report by reference.

The Company's legal form is société anonyme governed by the provisions of Law 4548/2018. As a listed company, its operation is also governed by the relevant applicable laws and the regulations of the Hellenic Capital Market Commission and the rest supervisory authorities and the commercial and securities legislation in general.

Regarding the subsidiaries of the Company based in Cyprus, their operation is governed by the respective institutional framework and the commercial legislation of Cyprus.

The Company is active in Greece and is PASAL DEVELOPMENT Group's parent company. The Company operates in Greece and primarily focuses on purchasing and developing properties and offering project management services for real estate development, without having a construction or design division.

3.2 Scope of Business and Participations

Within their operations, the Company and the Group buy, construct/renovate real estate properties, which subsequently lease and sell at the appropriate time. The properties' development is made either from the Company and the Group or through suitable joint ventures with companies of similar scope to capitalize on economies of scale resulting from synergies. The Group pursues long-term partnerships with specialised houses of real estate development in Greece, strategic partnerships for the acquisition of know-how, and joint participation in other companies for large-scale real estate project development of the private and public sector.

The Group's development depends on creating a property portfolio, which will yield long-term value and minimise investment risk by diversifying investments in different properties or areas based on geographical criteria, type of use, age of the properties etc., and by its active management assessing the return on investment of these properties. Alternative exploitation or even selling of properties shall also be considered on the base of the long-term benefits for the Company and its shareholders.

After the implementation of the Consolidation Agreement, the Investor Agreement and the successful completion of the Share Capital Increase, the Group will have the opportunity of a robust growth in the context mentioned above, with the mobilisation of the five investment properties it holds in its real estate portfolio.

On 30th June 2020 the Group's portfolio comprises five investment properties with a total value of €31,770 thousand, as follows:

Property	Date of Acquisition	Use	Plot (sq.m.)	Total Surface of Buildings (sq.m.)	Owner	Tenant	Occupancy Rate	Monthly Rental (amounts in thousands of €)	Value 31.06.2020 (amounts in thousands of €)
27 th km Old Nat. Road Athens-Korinthos	22.12.2005	Logistics Warehouse	56,202	35,237	PASAL DEVELOPMENT	Hellenic Supermarkets	100%	124	20,800

						Sklavenitis S.A.			
19 Thermaikou Str. Thessaloniki	28.03.2008	Commercial / Industrial	39,609	29,661	PASAL DEVELOPMENT	Unoccupied	-	-	1,610
166 Orfeos Str. Eleonas	25.07.2007	Commercial	10,799	10,857	PASAL DEVELOPMENT	Unoccupied			3,970
Palea Sfagia, Lavrio	23.05.1905	Residential (Plot)	33,124	-	EMEL	Unoccupied			3,740
Nea Lampsakos, Chalkida	27.11.2008	Commercial (Plot)	81,292	-	ARVEN	Unoccupied			1,650
Total			221,026	75,755					31,770

* Possible deviations in the totals from the sum of the individual figures are due to rounding

Source: Published Financial Information from the company as of 30th June 2020, reviewed by a Certified Auditor - Accountant.

More specifically, the five investment properties of the Company are analysed as follows:

1. At the 27 km of Old National Road Athens-Corinth, in Elefsina (Logistics Warehouse)

The property is a building block of warehouses and a distribution centre with office space. It is located on the 27th km of the Old National Road Athens-Corinth, in the Municipality of Elefsina. It houses packaging-repackaging, warehousing and distribution of products activities. It is located off the City Plan but inside the General Urban Development Plan of the Elefsina Municipality, and inside the Industrial Area, where the construction terms and restrictions are under the provisions of Government Gazette 627D/13-6-05.

The property is leased to the "Greek Supermarkets-Sklavenitis" with the lease agreement starting on 1st November 2014 and ending 31st October 2026. Rental income amounted to €1,462.5 thousand in 2018 and €1,487.4 thousand in 2019.

2. 19, Thermaikou Str., Thessaloniki (Commercial/Industrial Property)

A plot of a total surface of 39,609 sq.m., with a 150 m. front facing the side street of Egnatia Odos. It hosts a building complex consisting of a multi-storey building and two basements with a total covered area of 29,661 sq.m. Since its acquisition on 28th March 2008 the property remains vacant.

3. 166, Orfeos Str., Eleonas (Commercial Property)

A plot of a total surface 10,799 sq.m. hosting buildings of a total surface of 10,857 sq. m., inside the City Plan. Plans for its development include its initial lease as warehouse, and a subsequent re-evaluation depending on the Athens Municipality plans and sports facilities development in the area. Since its acquisition on 25th July 2007 the property remains vacant.

4. Palea Sfagia, Lavrio (Residential Property - Plot)

A plot property of the subsidiary EMEL S.A., of a total surface of 33,124 sq.m. on the new ring road that connects Kerateas-Lavriou Avenue with the port of Lavrio. Part of this plot lies within the City Plan (19,191 sq.m.) with the rest being outside. The property was acquired on 17th June 1999.

5. Nea Lampsakos, Halkida (Commercial Property- Plot)

A plot of total surface 81,292 sq.m. owned by subsidiary ARVEN S.A., located in Nea Lampsakos of the Halkida Municipality in the Prefecture of Evoia, within the City Plan, that can be built under legislation regarding the “out of the city plan” constructions (P.D. 24/1985/Government Gazette D'270/31.5.1985). The plot was acquired on 27th November 2008.

It is noted that, in addition to the above properties and following the Offeror’s acquisition of the Company’s control, on 7th August 2020 the Company announced that it entered into a preliminary agreement with the payment of a €1.5 million deposit for the acquisition of three logistics properties and warehouses located in Aspropyrgos, Attica. The properties are fully leased to various tenants and have a Gross Leasable Area of 62,500 sq.m and their value amounts to approximately €38 million. The transaction is expected to be completed by the end of 2020 in combination with an increase in the Company’s share capital, (see section 2.14 The business strategy of the offeror regarding the Company) and will be financed with own funds and bank lending (for which an approval is already granted).

3.3 Organisational Structure of the Group

The Company’s direct and indirect participations as presented in the last published interim financial statements of 30th June 2020 and 31st December 2019 are the following:

The percentage of voting rights the Company holds in the subsidiaries mentioned in the above table is equal to the percentage of participation in the capital.

Εταιρεία	Έδρα	Δραστηριότητα	Συμμετοχή	% Συμμετοχής 30.06.2020	Μέθοδος ενοποίησης
E.M.E.L. S.A.	Greece	Real Estate	Direct	88.79%	Fully Consolidated
PASAL CYPRUS LTD	Cyprus	Real Estate	Direct	100%	Fully Consolidated
ARVEN A.E. ⁽¹⁾	Greece	Real Estate	Indirect	100%	Fully Consolidated Consolidation
MFGVR LTD	Cyprus	Real Estate	Indirect	100%	Integrated Consolidation
DORECO ⁽²⁾	Greece	Real Estate	Indirect	100%	Fair Value
SIBO A.E. ⁽²⁾	Greece	Real Estate	Indirect	100%	Fair Value

Disclosed Financial Statements of 30th June 2020, prepared according to IFRS and audited by a Chartered Auditor- Accountant.

(1) According to the Information Prospectus, 90,000 shares of the subsidiary company Arven (100% of the share capital) have been pledged in favour of Eurobank as collateral for long-term borrowing of the Company.

(2) Under the Consolidation Agreement, PASAL DEVELOPMENT Group, in particular its subsidiary PASAL CYPRUS LTD, will transfer all the shares of its 100% subsidiary DORECO, which have been collateralised to National Bank of Greece, to the latter, or to a legal person the National Bank of Greece will indicate at a zero price. The agreement with the National Bank of Greece

was implemented on 16th March 2020, the date control over the companies DORECO S.A. and 100% subsidiary SIBO S.A. was relinquished. On that date those participations were valued at fair value, namely zero, and resulted in a €25,869,761.30 profit for the consolidated financial statements. Since 31st December 2019, the activities of the companies DORECO and its 100% subsidiary SIBO were listed on the Group's financial statements for fiscal year 2019 as discontinued activities, in application of IFRS 5.

3.4 Personnel

On 30th June 2020 the Company and the Group employed five employees.

3.5 Share Capital and Shareholder Structure

On the Date of the Offering Document, the Company's total paid-in share capital amounts to €8,419,464 divided into 16,838,928 common registered dematerialised shares, with a nominal value of €0.50 each.

The following table presents the persons which hold, directly or indirectly, at least 5% percentage of the total voting rights of the Company, on the Date of the Offering Document, according to the information announced by the Company and published on the website of A.S.E. based on the announcements of Law 3556/2007:

Shareholder	Number of Direct Shares and Voting Rights	Percentage % of Voting Rights	Total Number and Voting Rights	Percentage % of Voting Rights
Sterner Stenhus Greece	10,330,852	61.35%	14,758,360	
AB (1)				87.64%
Nequiter Invest AB (2)	4,427,508	26.29%	14,758,360	87.64 %
Σύνολο	16,838,928		16,838,928	100.00%

Source: Offering Document.

Notes:

1. *Mr. Elias Georgiadis controls Sterner Stenhus Holding AB, which controls the Offeror (Sterner Stenhus Greece AB). The number of shares Sterner Stenhus Greece AB holds in PASAL amounts to 10,330,852 Shares representing 61.35% of the total Company's voting rights.*
2. *Nequiter, which is controlled by Mr. Jan Gösta Lennart Lindeberg (who acts in concert with the Offeror), holds directly 4,427,508 Shares representing 26.29% of the total Company's voting rights. Furthermore, the Offeror and Nequiter signed the Nequiter Agreement by which it was agreed, inter alia, that the latter will exercise the voting rights it holds at the Company in favour of the election of the persons nominated by the Offeror to the Board of Directors of the Company, as well as that it will exercise in general the voting rights it holds in the Company in a manner consistent with the Offeror's proposals. Consequently, due to the signing of the above agreement, the Offeror in combination with Nequiter (which is controlled by Mr. Jan Gösta Lennart Lindeberg and who, by extension, controls the voting rights of the latter) under Article 10, item (a) of the Law 3556/2007 hold or control 14,758,360 voting rights, representing 87.64% of the total Shares and voting rights in the Company.*

Finally, the number of voting rights held indirectly by Mr. Elias Georgiadis through the companies controlled by him, i.e. Sterner Stenhus Holding AB and the Offeror (Sterner Stenhus Greece AB) and Nequiter Invest AB in the Company amounts to 87.64% of the total Company's voting rights.

3.6 Board of Directors

On the Date of the Tender Offer the Company was managed by a six-member Board of Directors, elected at the Ordinary General Shareholders Meeting of 27th July 2020 and held its constituent meeting on 28th July 2020.

The composition of the Board of Directors is the following:

Name	Position	Capacity
Elias Georgiadis son of Nikolaos	Chairman	Executive Member
Sotirios Theodoridis son of Konstantinos	Vice-Chairman	Non-Executive Member
Konstantinos Markazos son of Alexios	Managing Director	Executive Member
Kalliopi Kalogera daughter of Stamatis	Member	Executive Member
Frank Roseen son of Anastasios	Member	Independent Non-Executive Member
Panagiotis Vroustouris son of Konstantinos	Member	Independent Non-Executive Member

The term of the Board of Directors is set at six years, ending on 27th July 2026, and is automatically extended until the expiration of the time limit within which the next Ordinary General Meeting of Shareholders must convene and the relevant decision is taken.

4. Brief Presentation of Financial Information for the Group and the Company

4.1 Information of the Financial Statements for 2018-2019

The following tables present condensed financial figures of the Group regarding the fiscal years 2018 and 2019, based on the disclosed annual corporate and consolidated financial statements, audited by a Chartered Auditor Accountant. The financial statements have been drawn up under the International Financial Reporting Standards (I.F.R.S.) and have been approved by the Company's Board of Directors on 26th May 2020 and the Ordinary General Shareholders Meeting on 27th July 2020. It is noted that the financial information for the fiscal year 2018 presented in this section is published as comparative figures in the 2019 financial statements.

The following table presents condensed revenues and other comprehensive revenues of the Group and the Company for the 2019 fiscal year and comparative figures for the 2018 fiscal year.

Revenues Statement and Other Comprehensive Revenues (Amounts in thousands of €) *	Group		Company	
	1.1-31.12.2019	1.1-31.12.2018	1.1-31.12.2019	1.1-31.12.2018
Operating Profit	(6,021.93)	(1,153.77)	(3,047.00)	703.49
Earnings from Ordinary Operations	(7,442.23)	(3,323.47)	(4,467.29)	(1,465.57)

Earnings Before Taxes	39,495.04	(3,323.47)	42,140.44	(5,620.57)
Earnings /(Loss) from continued operations	41,709.62	(2,872.54)	43,429.95	(5,858.53)
Earnings /(Loss) from discontinued operations	4,402.96	(3,748.46)	0.00	0.00
Fiscal Year Earnings	46,112.59	(6,621.00)	43,429.95	(5,858.53)
Basic earnings per share attributed to the owners of the parent company from continued operations (in €)	22.35	(1.47)	23.21	(3.13)
Basic earnings per share attributed to the owners of the parent company from discontinued operations (in €)	2.35	(2.00)	0.00	0.00

* Possible deviations on the tables are due to rounding

Source: Published Financial Statements of the Financial Year 2019 prepared by the Company based on I.F.R.S. and reviewed by Certified Auditor - Accountant.

4.2 Information of the Statement of Financial Position for 2018-2019

The following table presents the Financial Position of the Group and the Company for the 2019 fiscal year and comparative figures for the 2018 fiscal year.

Statement of Financial Position (Amounts in thousands €) *	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Non-Current Assets	31,394.21	77,647.95	26,743.00	37,566.59
Current Assets	2,461.45	2,604.28	4,377.00	3,525.18
Assets held for sale	30,059.54	0.00	974.63	0.00
Total Assets	63,915.20	80,252.22	32,094.64	41,091.77
Total Equity	(19,275.62)	(65,210.12)	3,649.36	(39,602.50)
Long-term liabilities	2,975.17	23,670.91	2,875.17	21,157.67
Short-term liabilities	24,489.42	121,791.44	24,479.96	59,536.60
Liabilities related to assets held for sale	55,726.24	0.00	1,090.15	0.00
Total Equity and Liabilities	63,915.20	80,252.22	32,094.64	41,091.77

* Possible deviations on the tables are due to rounding

Source: Published Financial Statements of the Financial Year 2019 prepared by the Company based on I.F.R.S. and reviewed by Certified Auditor - Accountant.

4.3 Information of Cash Flows of Company and Group for 2018-2019

The following table briefly presents the cash flow of the Group and the Company for the 2019 fiscal year and comparative figures for 2018 fiscal year.

Cash Flow Statement				
(amounts in thousands €)*	Group		Company	
	1.1- 31.12.2019	1.1 - 31.12.2018	1.1 - 31.12.2019	1.1 - 31.12.2018
Operating Activities of Continuing Activities				
Total inflows/(outflows) from operating activities (a)	451.0	617.0	1,013.7	495.9
Investment Activities from continued activities				
Total Inflows/(outflows) from investment activities (b)	(26.5)	(15.1)	38.0	3.0
Financing Activities from continued activities				
Total inflows/(outflows) from financing activities (c)	(1,096.1)	(502.0)	(1,686.1)	(-424.6)
Net increase/(decrease) in cash and cash equivalents of the financial year (a) + (b) + (c)	(671.7)	99.9	(634.4)	74.4
Cash and cash equivalents at the beginning of the financial year	1,128.6	953.7	1,050.9	976.5
Cash flow from discontinued operations	(39.6)	75.0	0.0	0.0
Cash and cash equivalents at the end of financial year from continued operations	417.3	1,128.6	416.5	1,050.9

* Possible deviations on the tables are due to rounding

Source: Published Financial Statements of the Financial Year 2019 prepared by the Company based on I.F.R.S. and reviewed by Certified Auditor - Accountant.

4.4 Information of the Financial Statements for the first half of 2020

The following tables present briefly financial information for the Company and its Group, for the period 01.01.2020-30.06.2020, according to the published interim and corporate financial statements of the period 01.01.2020-30.06.2020, prepared in accordance with the International Financial Reporting Standards and audited by chartered auditor-accountant.

The following table presents comparative information for the period 01.01.2020-30.06.2020 regarding the financial statement and total revenues of the company and the group against the respective period of 2019:

	Group		Company	
Revenues Statement and Other Comprehensive Revenues	1.1- 30.06.2020	1.1 - 30.06.2019	1.1 - 30.06.2020	1.1- 30.06.2019
(Amounts in thousands of €)*				
Operating Profit	1,146.92	799.20	515.81	808.76
Earnings from Ordinary Operations	928.51	70.59	297.41	80.16
Earnings Before Taxes	1,078.68	103.22	447.94	112.79
Earnings /(Loss) from continued operations	2,166.86	(125.20)	1,689.24	(114.22)
Earnings /(Loss) from discontinued operations	25,869.76	0.00	0.00	0.00

Fiscal Year Earnings	27,718.41	8,545.43	1,689.24	(114.22)
Basic earnings per share attributed to the owners of the parent company from continued operations (in €)	0.99	(0.07)	0.90	(0.06)
Basic earnings per share attributed to the owners of the parent company from discontinued operations (in €)	13.83	4.63	0.00	0.00

* Possible deviations on the tables are due to rounding

Source: Published Financial Statements of the period 01.01-30.06.2020 based on I.A.S. 34 and reviewed by Certified Auditor - Accountant.

4.5 Information of the Statement of Financial Position for the first half of 2020

The following table presents comparative information for the period 01.01.2020-30.06.2020 regarding the statement of financial position and comparative information against the respective position on 31.12.2019:

STATEMENT OF FINANCIAL POSITION (Amounts in thousands €) *	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Non-Current Assets	33,401.71	31,394.21	28,268.84	26,743.01
Current Assets	2,198.99	2,461.45	4,114.95	4,377.00
Assets held for sale	0.00	30,059.54	0.00	974.63
Total Assets	35,600.69	63,915.20	32,383.79	32,094.64
Total Equity	8,416.12	(19,275.62)	5,311.93	3,649.36
Long-term liabilities	2,092.01	2,975.17	1,992.01	2,875.17
Short-term liabilities	25,092.56	24,489.42	25,079.84	34,479.96
Liabilities related to assets held for sale	0.00	55,726.24	0.00	1,090.15
Total Equity and Liabilities	35,600.69	63,615.20	32,383.79	32,094.64

* Possible deviations on the tables are due to rounding

Source: Published Financial Statements of the period 01.01-30.06.2020 based on I.A.S. 34 and reviewed by Certified Auditor - Accountant.

4.6 Information of Cash Flows of Company and Group for the first half of 2020

The following table presents a brief statement of Company's and Group's Cash Flows on 30th June 2020 and comparative information against the respective period of 2019.

Cash Flow Statement				
(amounts in thousands of €)*	Group		Company	
	1.1- 30.06.2020	1.1 - 30.06.2019	1.1- 30.06.2020	1.1 - 30.06.2019
<u>Operating Activities of Continuing Activities</u>				
Total inflows/(outflows) from operating activities (a)	216.5	560.6	87.5	503.9
<u>Investment Activities from continued activities</u>				
Total Inflows/(outflows) from investment activities (b)	(105.1)	(34.3)	(101.9)	37.7
<u>Financing Activities from continued activities</u>				
Total inflows/(outflows) from financing activities (c)	(252.9)	(6.1)	(194.8)	(0.9)
Net increase/(decrease) in cash and cash equivalents of the financial year (a) + (b) + (c)	(141.6)	520.3	(209.2)	540.7
Cash and cash equivalents at the beginning of the financial year	456.9	1,128.6	416.5	1050.9
Cash flow from discontinued operations	(107.3)	(54.7)	0.0	0.0
Cash and cash equivalents at the end of financial year from continued operations	208.1	1,594.2	207.3	1,591.6

* Possible deviations on the tables are due to rounding

Source: Published Financial Statements of the period 01.01-30.06.2020 based on I.A.S. 34 and reviewed by Certified Auditor - Accountant.

Additional information about the Company and its financial statements is available on its website: www.pasal.gr.

5. Valuation methodology

The Financial Advisor employed the following methodologies to estimate the fair value range of Company's shares, in the context of the Tender Offer:

1. Adjusted Net Asset Value - Adjusted NAV
2. Trading Multiples of Comparable Companies Method

6. Assessment of the Tender Offer Price

6.1 Adjusted Net Asset Value

6.1.1 Description of the method

The Method of Adjusted Net Asset Value is a valuation method applied by adjusting a company's assets and liabilities according to their fair market value. Applying this method is based on the company's most recent balance sheet in combination with any adjustments based on more recent data that may have arisen.

In particular, according to this method, the value of a company's assets and liabilities is adjusted if there are indications that their carrying value does not correspond to the current market value. The net asset value of the company concerned is then calculated by the sum of individual market values of the assets less the market value of the liabilities.

This methodology is considered the most appropriate for the Company's valuation purposes in the case of real estate investment companies, where the most important asset of the balance sheet is the value of the real estate property, therefore weighted accordingly.

6.1.2 Application of the method

The Financial Advisor was provided by the Company's management with the valuation reports of independent regular valuers dated 30th June 2020 for the five Group's major investment properties, which represent almost 100% of the total value of Group's portfolio regarding real estate property on 30th June 2020.

The application of the method of adjusted net asset value was based among others on:

- the study of the valuation reports of independent regular valuers provided to us by the Company
- the study of publicly available financial information related to the Group
- data and information provided by Company's executives.

For the purposes of our Report, we assumed that all the information provided to us and the Independent Valuers are accurate and complete in all material respects and we have not carried out any independent verifications of that information. As for historical, business and financial information, we assumed that the information accurately reflects the actual business and financial position of the Group on the date that information refers to. In addition, to evaluate the Company's shares value with this method the market value of the Group's real estate properties portfolio on 30th June 2020 was taken into account.

6.1.3 Factors significantly affecting the Company's Valuation

The Company's valuation with the use of net asset value adjustment is mainly based on the evaluation of the Group's real estate property, which may be positively or negatively affected by several factors, including:

- Changes in the macroeconomic environment of Greece or any other country where the Group operates
- Changes related to the competition in the industry in the countries where the Group operates
- Changes in rental prices and occupancy rates
- Urban planning regulations amendments
- Change of the projected increase of leases or their duration
- Change of the tenants' creditworthiness and solvency
- Modifications related to each asset's liquidity, nature and surroundings
- Possible changes in the appraisal methods to be used

Furthermore, when appraising the value of the Group's real estate properties, even though valuers use specific internationally accepted valuation methods, these are complex and may be based on information that is not directly available, should be assessed and could be amended soon thereafter.

6.1.4 Conclusion

Applying the method of Net Asset Value Adjustment marks the value per share at € 0.676.

Factors that could externally affect the Company's share price, as for instance the general capital market conditions, have not been considered in the Financial Advisor's conclusions on the Company valuation.

6.2 Comparative Analysis of Listed Companies through Trading Multiples

6.2.1 Description of the Method

The trading multiples methodology relies on the assumption that a company's value can be approached through financial indices deriving from the market value that adequately-informed, rational investors place on stocks of similar, directly comparable companies. By compiling those indices for each company of a comparable sample and applying them to the financial figures of the company under valuation, the value per share of the company can be estimated. This method is applied in the context of daily stock market transactions and not in the context of the acquisition of a controlling stake of a company, which historically requires the payment of a control premium.

Selecting a directly comparable group of listed companies is key for the reliability of the method. The scope of their activities and the relevance to that of the company under valuation; the macroeconomic environment in the countries where they operate; their size and market value; their capital structure; and possible particularities affecting their operation and profitability constitute, among others, significant factors for selecting peer companies.

The most appropriate capital indices are selected for the valuation, depending on the industry of the company under valuation and the peculiarities of both the company and those of the selected sample.

6.2.2 Application of the methodology to the Company

For the application of the method, the most recent net asset values (NAV) of four Greek listed REIC and a company operating in real estate development and investment were used. The net asset value of the five companies in total, according to the balance sheet of 30th June 2020 is €2.83 billion.

A/A	R.E.I.C. & Real Estate (Listed)	Capitalisation 01/10/2020	NAV in € 30/6/2020
1	PRODEA	2,018,406,819	1,365,615,000
2	TRASTOR	120,416,404	158,778,000
3	INTERCONTINENTAL	60,900,000	75,180,000
4	BRIQ	60,442,162	83,416,000
5	LAMDA DEVELOPMENT	973,819,300	1,150,156,000

Source: Bloomberg, Interim Financial Statements of the companies on 30 June 2020.

As shown in the table above, the sample includes companies investing in all categories of real estate (commercial spaces, offices, warehouses etc.). However, some of them significantly differ in terms of size.

For each company of the selected sample the following multiples were considered and calculated:

- Enterprise Value to adjusted yearly Sales (EV / LT Sales)
- Share price to adjusted yearly sales (P/ LT Sales)
- Share price to Net Asset Value (P / NAV)
- Share price to Book Value.
- Enterprise Value to adjusted EBITDA (EV / LT EBITDA)
- Share Price to adjusted EBITDA (P / LT EBITDA)

The derived average financial indices were applied to the Group's respective financial figures in order to estimate the value range of the Company's shares per the specific method used in the Tender Offer. Because of the company's negative equity and negative operational EBITDA on 31st December 2019, EV/EBITDA (enterprise value to adjusted operating profits) and P/BV (price to book value) could not be applied. Thus, 1H20 results were used to compile comparable indices while sales and operating profits were projected to a full-year base (rolling periods of 2H19 and 1H20). The relevant adjustments resulted in negative operating profit and consequently the rejection of indices (EV/ LT EBITDA and P/LT EBITDA) in our approach. Instead P / BV index is applicable and therefore chosen.

6.2.3 Conclusion

The application of the Comparative Analysis of Listed Companies through Trading Multiples method, in the context of the Tender Offer, results in an average price of €0.681 per share.

Even though this method was used for the Company's valuation, it is considered of limited relevance due to the different market traits, relevant size and capital structure of the comparable companies' sample.

6.3 Summary

The following table summarizes the range of the Company's value for each applied method and the weighting factor for each method, which was determined according to our judgement depending on the eligibility of each of these methods:

Methodology	Weighting	Price per Share
Net Asset Value (NAV)	70%	0,676
Comparable Stock Indices	30%	0,693
		0,68
Weighted average of valuation methodologies		

In view of the above, the Value of the Company is estimated at **€0.68** per share.

The present report is submitted to PASAL DEVELOPMENT SA Board of Directors, was prepared under Article 15, Paragraph 2 of the Law and does not constitute investment advice for the purchase or sale of securities within or outside the Tender Offer context.

Athens, 7th October 2020

For BETA SECURITIES S.A.