REASONED OPINION OF THE BOARD OF DIRECTORS

OF THE COMPANY "PASAL REAL ESTATE DEVELOPMENT S.A."

ON THE MANDATORY TENDER OFFER SUBMITTED

BY THE COMPANY "STERNER STENHUS GREECE AB"

On its meeting dated 13th October 2020, the Board of Directors of the société anonyme under the name "PASAL REAL ESTATE DEVELOPMENT S.A.", with the trade name "PASAL DEVELOPMENT S.A." (the "Company"), with a registered seat in the Municipality of Athens, 10-12 Dorileou Str., discussed the content:

(a) of the Offering Document of the mandatory tender offer (the "Tender Offer") of the société anonyme under the name «STERNER STENHUS GREECE AB» (the "Offeror") regarding the shares of the Company and

(b) the detailed report of the independent financial advisor "BETA SECURITIES S.A." (the "Financial Advisor" or "BETA") in order to formulate its reasoned opinion on the Tender Offer, following Article 15 of Law 3461/2006 (the "Law").

The Offeror notified in writing the Board of Directors of the Tender Offer submission on 31st July 2020 (the "Date of the Tender Offer"). The Offering Document for the Tender Offer (the "Offering Document") was approved by the Hellenic Capital Market Commission (the "HCMC") on 30th September 2020 and was published on 5th October 2020.

The Tender Offer relates to the acquisition of the total amount of common registered shares with voting rights, with nominal value of €0.50 each, free from all kinds of burdens and third party rights, which are listed and traded on the Athens Stock Exchange (the "Shares") and were not held by the Offeror or the Persons Acting in Concert (as defined below) on the Date of the Tender Offer. Thus, the Tender Offer concerns 2,080,568 Shares, which represent approximately 12.36% of the paid-in share capital and voting rights of the Company (the "Shares of the Tender Offer").

The offer price was set at the Date of the Tender Offer on €0.71 per Share (the "Offer Price"). Persons acting in concert, according to the provisions of article 2 (e) of the Law are: Mr Elias Georgiadis, as the Offeror's ultimate controlling shareholder within the meaning of the Article 3, par. 1 (c) of Law 3556/2007, as well as, apart from the Company and its subsidiaries, (i) the persons controlled by Mr Elias Georgiadis, within the meaning of Article 3, paragraph 1 (c) of Law 3556/2007, and directly or indirectly hold Company Shares, i.e. the company under the name "Sterner Stenhus Holding AB", the Offeror's parent company (ii) the persons controlled by Mr Elias Georgiadis within the meaning of Article 3, paragraph 1 (c) of Law 3556/2007 and do not directly or indirectly hold Company Shares as defined in section 2.3.5 of the Offering Document and (iii) the company under the name "Nequiter Invest AB", which is controlled by Mr Jan Gosta Lennart Lindeberg and has entered into an agreement with the Offeror to act in concert (the "Concerted Persons" or the "Percons Acting in Concert with the Offeror").

Under Article 15 of the Law, the Company's Board of Directors appointed BETA as an independent financial advisor, to prepare a detailed report which will accompany the Board's opinion, by Article 15, par. 2 of the Law (the "Report").

It is noted that the Company's employees have not submitted a separate opinion on the Tender Offer's impact on their employment conditions to the Board of Directors as of the date of this resolution.

All board members attended the meeting of the Board of Directors (as is the case with all meetings where matters related to the Tender Offer were discussed), except for the Chairman, Mr Elias Georgiadis, and the member, Mrs Kalliopi Kalogera, who abstained due to conflict of interest reasons. The relevant decisions were unanimous. Therefore, the participants were:

- Sotirios Theodoridis, Vice-Chairman

- Konstantinos Markazos, CEO
- Frank Roseen, Member
- Panagiotis Vroustouris, Member

After the required quorum was noted per Law 4548/2018 and the Company's Articles of Association, the Board of Directors unanimously formulated the following reasoned opinion regarding the Tender Offer during its meeting:

A. Number of Company's shares directly or indirectly held by the members of the Board of Directors and Executives of the Company (article 15, par. 2, case A of the Law).

Until 12th October 2020, Mr Elias Georgiadis, Mr Sotirios Theodoridis and Mr Konstantinos Markazos hold directly or/and indirectly Shares and voting rights in the Company, as follows:

Name	Position	Number of Directly Held Shares	Number of Directly and Indirectly Held Shares	Number of Directly and Indirectly Held Shares and Voting Rights
Elias Georgiadis	Chairman of the BoD	-	14,758,360	87,64%
Sotirios Theodoridis	Vice-Chairman of the BoD	552,380	552,380	3,28%
Konstantinos Markazos	CEO	33,075	33,075	0,20%

Mr Elias Georgiadis indirectly controls through companies controlled by him, i.e. Sterner Stenhus Holding AB and Sterner Stenhus Greece AB, 87.64% of the total voting rights of the Company. In particular, it is noted that Sterner Stenhus Greece AB holds directly 10,330,852 shares representing 61.35% of Company's total voting rights, while it holds indirectly and controls 4,427,508 shares representing 26.29% of Company's total voting rights, as a result of the signing of the preliminary agreement of 20th July 2020 (and the final agreement of 27th July 2020) with Nequiter Invest AB, with which it was agreed, inter alia, that the latter will exercise the voting rights it holds on the Company in favour of the election of the persons nominated by Sterner Stenhus Greece AB to the Board of Directors of the Company, as well as that it will, in general, exercise its voting right on the Company in a manner consistent to the proposals of Sterner Stenhus Greece AB.

B. Actions already taken or intended to be taken by the Company's Board of Directors regarding the Tender Offer (article 15 paragraph 2 case b' of the Law)

The Company's Board of Directors was informed in writing of the submission of the Tender Offer by the Offeror on 31st July 2020. On its meeting of 3rd August 2020, the Board of Directors was informed of the duties arising from the Law and decided: (a) to make available to the employees in a timely and appropriate manner all documents and information stipulated by the Law, and (b) to authorise Mr Frank Roseen and Mr Panagiotis Vroustouris to search for a financial advisor for the Company according to the Law. Subsequently, BETA Securities S.A. was selected as financial advisor. The Board of Directors cooperated with the Financial Advisor and provided all necessary information and data for the preparation of its detailed report.

In addition, according to the provisions of Article 15 of the Law, the Board of Directors will hand this Reasoned Opinion to the competent authorities and the Company's employees and will make it publicly available duly and in accordance with the Law.

Furthermore, the Board of Directors did not take any other action regarding the Tender Offer and did not make any contacts for the formulation of competitive offers. Moreover, the Board of Directors did not take any further action outside the normal course of business of the Company that could lead to cancelling the Tender Offer.

C. Agreements between the Company's Board of Directors or the members of the Company's Board of Directors and the Offeror or between the members of the Board of Directors and the shareholders (Article 15, paragraph 2, instance c, of the Law).

On 20th July 2020, the Offeror (which is controlled by the Chairman of the BoD, Mr Elias Georgiadis) and the company under the name "Nequiter Invest AB ("Nequiter") signed a preliminary agreement (Termsheet) and, subsequently, on 27th July 2020 the final agreement (or "Nequiter Agreement"), with the following main terms:

- Nequiter is obliged to exercise the voting rights it holds on the company for electing the persons nominated by the Offeror to the Company's Board of Directors, and in general to exercise the voting rights it holds on the Company in a manner consistent with the Offeror's proposals and directions.
- Nequiter is prohibited from transferring the Company Shares it holds to any third party during the period in which the Tender Offer can be accepted according to the section 3.1 of the Offering Document (the "Acceptance Period").
- If any of the Offeror or Nequiter wishes to transfer Shares to a third party after the end of Acceptance Period, a right of first refusal is granted to the other party of the Nequiter Agreement for acquiring those Shares, under terms similar to those offered to the third party.
- If after the end of Acceptance Period any of the Offeror or Nequiter wishes to transfer Shares to a third party and the other party of the Nequiter Agreement does not exercise its right of first refusal per the above, it has the right to tag along its Shares to the third party under terms identical to those agreed between the Offering Shareholder and the third party.
- Nequiter Agreement will be terminated in the event of a dissolution and liquidation of the Company or in the event of a reduction of Nequiter's participation in the share capital of the Company to a percentage below 5%.

Apart from the Nequiter Agreement, there are no other special agreements related to the Tender Offer or the exercise of the rights deriving from the Shares of the Company, that are held directly or indirectly by the Offeror or other persons, who are acting on behalf of or in concert with it, in accordance with Article 11, paragraph 1, item (q) of the Law.

D. Reasoned Opinion of the Board of Directors regarding the Tender Offer (Article 15, paragraph 2, case d of the Law)

For drafting its reasoned opinion, the Board of Directors considered the following:

D1. Offering Document

The content of the Offering Document of the Tender Offer, which the Offeror addressed to the Company's Shareholders for the acquisition of all Company Shares, was approved by the Hellenic Capital Market Commission's Board of Directors on 30th September 2020.

D2. The Financial Advisor's Report

According to its report of 7th October 2020, the Financial Advisor has followed commonly accepted valuation methodologies to formulate its conclusion, namely:

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

The following table summarises the Company's value range and weighting factor of each method, the latter being determined by our judgement for each method's suitability:

Methodology	Weighting	Price Per Share (€)
Net Asset Value	70%	0.676
Trading Multiples of Comparable Companies	30%	0.693
Weighted Average of Valution Methodologies		0.68

Based on the above, the Financial Advisor estimates the value of the Company at €0.68 per Share.

D3. The Offer Price of the Tender Offer

The Offer Price of the Tender Offer – €0.71 per Share - meets the conditions for "fair and equitable" consideration set out under Article 9, paragraph 4 of the Law.

More specifically, the Offer Price exceeds:

- The average weighted stock market price (VWAP) of the Shares during the last six months preceding 15th July 2020, the date on which the Offeror became obliged to submit the Tender Offer (the "Date of Obligation for Tender Offer").
- The maximum price at which the Offeror or/and the Persons Acting in Concert has acquired Shares during the period of twelve months prior to the Date of Obligation for Tender Offer.
- The price determined by the auditing company under the name "Grant Thornton S.A. Chartered Accountants & Management Consultants", appointed by the Offeror as an independent valuator (the "Valuator") to conduct a valuation and prepare a relevant valuation report (the "Valuation Report"), given that Article 9, paragraph 6(b) of the Law was enforced, Following a Valuation which considered internationally accepted criteria and methods and is included in the Valuation Report, the price was determined at €0.70 per Share.

D4. The Expenses

According to the Offering Document, the following amounts will be deducted from the Offer Price to be paid to the shareholders that will accept the Tender Offer (the "Accepting Shareholders"):

(a) the specified in the Rulebook for Clearing Transactions rights for the clearance of over-the-counter transfer of Shares in favour of ATHEXCSD, namely 0.08% of the transfer value (calculated as the number of Transferred Shares multiplied (x) by the highest one of the following prices: (i) the Offer Price or (ii) the Share's closing price on ATHEX on the business day before documents stipulated by Article 46 of the Dematerialised Securities System Operating Rules were submitted, 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 of transferring the Shares to the Offeror.

D5. The Company's share price

In relation to the Company's stock price, the Offer Price:

• exceeds by 1.43% the Shares' VWAP during the six months prior to the Date of Obligation for Tender Offer, amounting to €0.70.

• exceeds by 5.97% the highest price at which the Offeror or the Persons Acting in Concert acquired Shares during the last twelve months prior to the Date of Obligation for Tender Offer, which amounted to €0.67.

• exceeds by 1.43% the price the Valuator determined according to internationally acceptable criteria and methods for the Valuation Report and stands to €0.70 per Share.

The current Share price at the closing of the previous day before the date hereof is €0.69.

D6. The business strategy of the Offeror

According to paragraph 2.14 of the Offeror's Offering Document:

"The Offeror's investment in the Company is part of Mr Elias Georgiadis', the Offeror's ultimate controlling shareholder, 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.

Therefore, the Offeror's acquisition of shares will contribute to developing the Company's activities in the Greek real estate market, by expanding its portfolio along the above business strategy. On 07th August 2020, the Company already concluded a preliminary agreement for the acquisition of three Logistics properties (warehouses) of 62.5 thousand total sq.m in Aspropyrgos, currently leased to various tenants, their value estimated at €38 million (see section 2.2.2 of this Offering Document).

To realise the business strategy, in addition to seeking new investment properties, the possibility of contributing to the Company part or all of the Offeror's real estate investments in Greece will be examined. In addition, the Offeror intends to realise the Resolution Agreement of the Company, as it has been further specified with the private agreement of 16th October 2019 between Alpha Bank S.A., the Offeror, the Company, Messrs Theodoridis Georgios and Theodoridis Sotirios and the subsidiary company "METALLURGICAL COMPANY OF LAVRIO S.A.", as amended and in force, namely to transfer the 70,000 common registered shares worth €1 each issued by DORECO from the Company's subsidiary, PASAL CYPRUS LTD to National Bank of Greece S.A. or to a legal entity that the latter will indicate and to continue to pay the installments for the corporate debts to TRASTOR REIC and Eurobank S.A.

For the implementation of its strategy and its business plans, the Offeror intends to support any Company effort to seek additional funds (through bank borrowing 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 raise bank lending for financing among other things the recent agreement for the three new logistics properties has already been announced. 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, while the remaining 80% will be acquired with purchase from the Company 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 (Technical) 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 the share's transfer under approval by the competent entities. If all the conditions and approvals are satisfied, the total value of the assets contributed to the share capital increase is estimated to approximately €20 million. Under the law, the Company has assigned the valuation of the assets (a) and (b) mentioned above to "Real Estate Advisory – REA L.P." and "DELOITTE CERTIFIED PUBLIC ACCOUNTANTS S.A.", respectively. After completing the valuations and other preparatory actions, a relevant announcement - invitation for an Extraordinary General Meeting of the Company's Shareholders will follow, while the relevant valuations and the report by the Board of Directors will be published as per law.

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

D7. Effects on employment

According to paragraph 2.14 of the Offeror's Offering Document: "It is noted the Offeror will not change policies regarding human resources management or the terms of employment for the Company's or its affiliated companies' personnel and will preserve the 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."

None of the Company's employees has expressed a negative opinion regarding the Tender Offer.

D8. The Offeror's intention regarding trading of the Company's shares

According to paragraph 1.5 of the Offeror 's Offering Document:

"1.5 Right of Squeeze Out- Right to Sell Out – Delisting of Shares from ATHEX

Since the Offeror and the Persons Acting in Concert with the Offeror own Shares representing more than 90% of the total paid-in Share Capital and voting rights of the Company (see below section 2.15), after the conclusion of the Tender Offer, the Offeror:

(a) will not exercise the squeeze-out right, following Article 27 of Law 3461/2006, as in force, and

(b) will buy-out all the Shares offered within the three-months (3) period starting from the publication of the results of the Tender Offer through the stock market, following Article 28 of Law 3461/2006 as in force.

Finally, the Offeror has stated that delisting of the Company's Shares from the ATHEX will not be pursued."

D9. Acquisitions of Tender Offer Shares by the Offeror
According to paragraph 1.4 of the Offeror's Offering Document:

"From the date of the publication 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 the ATHEX or OTC, apart from those tendered to it in the context of the Tender Offer."

Having considered all of the above, the Board of Directors of the Company, expresses the following reasoned opinion:

A. The Offeror's business strategy will be implemented regardless of the result of the Tender Offer, as the Offeror already controls the Company.

B. the Offeror will not proceed to any changes in the human resources policies and to the employment terms for the Company's and affiliated companies' personnel.

C. The Offer Price of €0.71 per Share:

i. falls within the price range defined by the Advisor's Report,

ii. satisfies the Law's requirements for "fair and equitable" consideration":

- exceeds by 1.43% the Shares' VWAP during the six months prior to the Date of Obligation for Tender Offer, amounting to €0.70.
- exceeds by 5.97% the highest price at which the Offeror or the Persons Acting in Concert acquired Shares during the last twelve months prior to the Date of Obligation for Tender Offer, which amounted to €0.67.
- exceeds by 1.43% the price the Valuator determined according to internationally acceptable criteria and methods for the Valuation Report and stands to €0.70 per Share.

D. The Tender Offer provides the Company's shareholders the option of disinvesting at a price that meets legal requirements.

E. In parallel with D., and before making the relevant investment decision for sale or holding of their shares, the Company's shareholders will have to consider how the Offeror's strategy will shape the Company prospects.

It is underlined that the Offeror's plans and estimates for the expected benefits for the Company are based on certain assumptions relating to the present conditions and may be affected by possible future changes.

Furthermore, the present Reasoned Opinion of the Company's Board of Directors does not constitute and may not be regarded as being a recommendation, prevention, advice or inducement made to the Shareholders to accept or reject the Tender Offer or to enter into any transaction in relation to any securities issued by the Company and/or the Offeror. The Board of Directors cannot project the outcome of the Tender Offer, nor the future closing prices and the marketability of the Company' shares in the Stock Exchange.

This Reasoned Opinion of the Company's Board of Directors is drafted under Article 15, paragraphs 1 & 2 of the Law, is submitted along with the Financial Advisor's Report of 7th October 2020 to the Hellenic Capital Market Commission and the Offeror under Article 15, paragraph 3 of the Law, is communicated to the employees under Article 15, paragraph 4 of the Law and published along with the Advisor's Report under Article 16 paragraph 1 of the Law. The present Reasoned Opinion of the Company's Board of Directors shall be publicly available electronically through the Company's webpage www.pasal.gr and the webpage of Athens Stock Exchange https://www.helex.gr.

Athens, 13th October 2020

For «PASAL REAL ESTATE DEVELOPMENT S.A.»

The Board of Directors