

SHORT REPORT
FAIR VALUE ASSESSMENT AS OF 31.12.2021
OF THREE LAND PLOTS IN CHANIA, ISLAND OF CRETE

Prot. No.: PEF-973

To:

EPENDITIKI CHANION S.A.

Mr. Manolis Lemonakis
115 Neratziotissis str.
Maroussi, 15124

8th of April 2022



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This valuation report is not a business plan, nor a feasibility study, and thus cannot be considered in part or in whole, any of the aforementioned. This valuation report is based on market evidence, as is described in the relevant paragraphs and does not take into consideration any tenant mix study which aims to maximize the expected market rental values (MRV's).

We assume, for the purposes of this valuation report, that all information provided, are accurate and complete and thus we have not proceeded to any verification. In the case of submission of supplementary / additional information, we reserve the right to amend the derived values.

The resulting values are applicable for the critical date of the valuation report according to the agreed Basis of Valuation.

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This report does not comprise a business valuation.

This valuation report is based on the current economic and market conditions at the date of valuation and does not express or form an opinion on the duration of the conditions or, to the impact that any changes in the economic and market conditions may have on the opinions expressed in the report. The opinions expressed in this valuation report, are subject to certain reservations in terms of uncertainties derived from changes to major factors such as future adjustments or amendments of the legal status, changes in the financial and economic circumstances, political risk, country risk etc.

Considering the current economic conditions in Greece, the valuation report follows VPGA 10 of the Red Book «RICS Valuation - Global Standards 2020» regarding Valuation Certainty.

The assumptions made in this valuation report in order to express our opinion of the Value of the subject properties, are considered appropriate in light of the circumstances and by no means is it possible to validate the accuracy and completeness of the assumptions, judgments and estimates undertaken thereof.

This report bears a specific critical date. There is no responsibility to validate and update the report prepared by Pepper Hellas without the proper instruction to do so from the Client.



Executive Summary..... 5

1. Instruction..... 7

2. Introduction..... 8

3. Location..... 8

4. Property Description 10

 1) Land Description 10

 2) Planning Status..... 11

5. Legal & Ownership Status..... 12

6. Valuation Methodology..... 12

7. SWOT Analysis..... 14

8. Market Analysis 14

 1) Comparable Evidence 14

 2) Real Estate Market..... 18

9. Fair Value 19


 1) Apportionment of Fair Value..... 19

Publication..... 21

Appendix 1 Bases of Valuation

Appendix 2 Photographs

Executive Summary

Instructor:	EPENDITIKI CHANION S.A.
Valuer:	Pepper Hellas Asset Management SA
Subject of Valuation:	Three adjacent land plots of 2,904.82m ² , 3,762.39m ² , 4,321.33m ² respectively.
Property' s Address:	43-45 Akti Kanari, 32-34 Patriarchou Athanasiou & 32 Patriarchou Ioannikiou, in Nea Chora district, Municipality of Chania, Regional unit of Chania, Region of Crete.
	<i>General photo of subject property:</i>
	
Purpose of Valuation:	The Valuation will be prepared for IFRS purposes.
Basis of Valuation:	The basis of valuation is the Fair Value according to the European Valuation Standard (EVS 2) and the Valuation Practice Statement (VPS 4) par. 7 of the RICS Valuation – Global Standards 2020. The definitions of the bases of our valuation according to the current standards are stated in Appendix 1 of this report.
Premise of Value:	Highest & Best use Existing Use
Currency:	EUR (€)
Critical Date of Valuation:	31/12/2021
Date of Report:	8/4/2022

Total Values:

Company	Type of Asset	Street	Building Area m ²	Land plot Area m ²	Fair Value 31.12.2021 (as is)	Fair Value of Land	Fair Value of Buildings	Gross Development Value * 31.12.2021 (fully developed)
Ependitiki Chanion S.A	Land plots 1 & 2	Akti Kanari & Patriarchou Athanasiou, Nea Chora, Chania, Crete	460,00	6.667,21	7.890.000,00 €	7.833.600,00	56.400,00	
	Land Plot 3 under development			4.321,33	3.420.000,00 €	3.420.000,00	-	22.390.000,00 €
Return for Risk and Profit Profit on GDV (%)								14,00%
<p>* "The aggregate fair value of the proposed development assessed on the special assumption that the development is complete on the date of valuation, in the market conditions prevailing on that date. Where an income capitalization approach is used to estimate the GDV, normal assumptions should be made within the market sector concerning the treatment of purchaser's costs. The GDV should represent the expected contract price." (Valuation of development property, 1st edition, October 2019, RICS professional standards and guidance, global, p.4)</p>								

1. Instruction

Further to your instructions with ref. no. SAO-1422 dated the 12/11/2021, we have proceeded to the determination of the Fair Value of three adjacent land plots located at 43-45 Akti Kanari, 32-34 Patriarchou Athanasiou & 32 Patriarchou Ioannikiou, in Nea Chora district, Municipality of Chania, Regional unit of Chania, Region of Crete.

This report is held under the standards imposed by the Royal Institution of Chartered Surveyors (The Royal Institution of Chartered Surveyors – *RICS Valuation – Global Standards 2020*), the European Valuation Standards of TEGoVA (The European Group of Valuers' Associations – *EVS 2020, 9th Edition*) and the IVSC (International Valuation Standards Council, 2020). The above-mentioned valuation standards are also adopted for the application of the International Financial Reporting Standards (IFRS).

The report is carried out by the strict supervision of qualified professional valuers of adequate expertise and experience according to PS 1 and PS 2 of RICS Valuation – Global Standards 2020. The certifications of our valuers are either from The Royal Institution of Chartered Surveyors (MRICS, FRICS) (www.rics.org), or from The European Group of Valuers' Associations (REV scheme) (www.tegova.org) certification body in Greece PEOPLECERT (www.peoplecert.org).

Pepper Hellas Asset Management SA fulfills all legal requirements for offering valuation services and it is a company listed at the Certified Valuers Registry of the Greek Ministry of Finance, according to the provisions of paragraph C of Law 4152/2013 (ΦΕΚ/Α'107).

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy –with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees and to reflect further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.

According to the RICS Valuation Practice Alert–Coronavirus dated the 6th of November 2020, our valuation is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation –Global Standards. Consequently, in respect of these valuations less certainty –and a higher degree of caution –should be attached to our valuation than would normally be the case. For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date. Considering the methodologies applied, where valuing using the income approach or otherwise with reference to income, the RICS global Valuation Practice Alert of 6 November states that: 'Where a valuation refers to rental or other income, a considered assessment of that income in light of COVID-19 and, where relevant, its aftermath may be required. Valuers are advised to make sure they are acting upon the latest and most accurate information in respect of rental and other income, where this is relevant. The valuer may need to reflect upon structural and behavioural effects on markets either caused or heightened by COVID-19.'

The basis of our valuation and the general assumptions are stated in Appendix 1 of this report.

2. Introduction

The purpose of this report is the determination of the Fair Value of of three adjacent land plots located at 43-45 Akti Kanari, 32-34 Patriarchou Athanasiou & 32 Patriarchou Ioannikiou, in Nea Chora Chania, Municipality of Chania, Regional unit of Chania, Region of Crete.

Date of Inspection: **10/1/2022**

The Client had provided us with all necessary data concerning the current status of the property in question.

Data provided:

- Valuation report prepared by the HVS, dated 23/7/2019
- Updated Business plan
- Blueprints by the Architect Engineer Mr. Vaggelis Nik. Stylianidis, dated 07/2020 and scaled at 1:100
- Topographic Diagram by the Topographer Mr. Nikolakaki I. Stilianos, dated April 2020, scaled at 1:200
- Budget versus Actuals dated 31/12/2021
- Updated Business Plan as of 6/12/2021

3. Location

Address:

The land plots in question are located at the 43-45 Akti Kanari, 32-34 Patriarchou Athanasiou & 32 Patriarchou Ioannikiou, in Nea Chora district, Municipality of Chania, Regional unit of Chania, Region of Crete.

GIS Coordinates:

Latitude: 35.516593,
Latitude: 24.010618 (*according to Google maps*)

Location:

Municipality of Chania: Chania is the second largest city of Crete and the capital of the Chania regional unit. It lies along the north coast of the island, about 70km west of Rethymnon and 145 km west of Heraklion. The official population of the municipal unit is 53,910, while the municipality has 108,642 inhabitants (2011). The municipality consists of the city of Chania and several other towns and villages.

The city of Chania can be divided into two parts: the old town and the modern city which is the larger one. The old town is situated next to the old harbor and is the core around which the whole urban area was developed. It used to be surrounded by the old Venetian fortifications that started to be built around 1538. Of them, only the eastern and western parts have survived. To the south, the old town borders with the new, and to the north the physical border is the sea. The center of the modern city is the area extending next to the old town and especially towards the south.

Land plots in a good location

Immediate accessibility to all town's facilities

Good visibility offering sea view

Subject Area: Nea Chora is one of the oldest districts of the new town, located beyond the west end of the old town. It is a developing area which borders to the north with the sea and comprises of residential and mixed uses. The close proximity of the area with the old town and the sea have given it a touristic character especially during the summer months.

Description of Property's street: The subject properties occupy the largest part of building block (OT) 28 with frontages onto three streets: Akti Kanari, Patriarchou Athanasiou & Patriarchou Ioannikiou. Akti Kanari is the coastal road starting from the Venetian walls up to Nea Chora small harbor and then changes name. Patriarchou Athanasiou is a vertical to Akti Kanari one-way street of residential character.

Accessibility:

By car: The property in question is accessible via Akti Kanari and Patriarchou Athanasiou streets.

By Sea: The town of Chania is serviced by Souda Port with daily ferries to Praeus, located at app. 8km away from the subject properties.

By Air: The town of Chania is serviced by Chania International Airport "Ioannis Daskalogiannis" which is situated at app. 15km away from the subject properties.

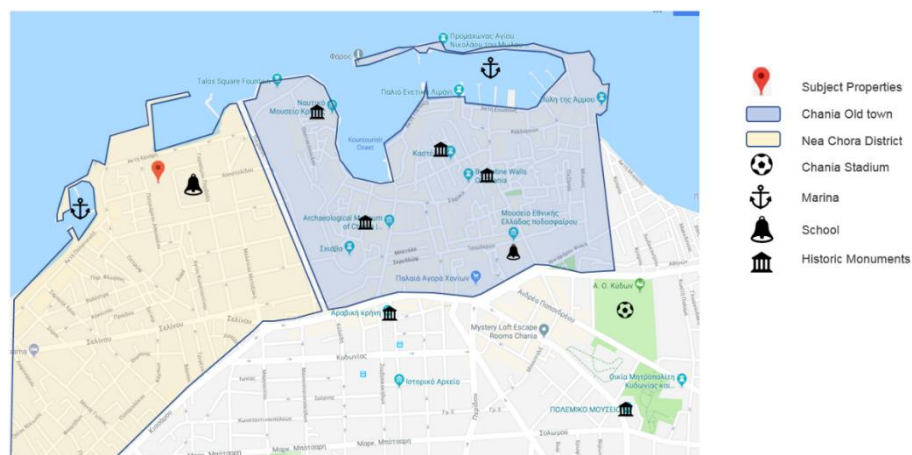
Surrounding Area:

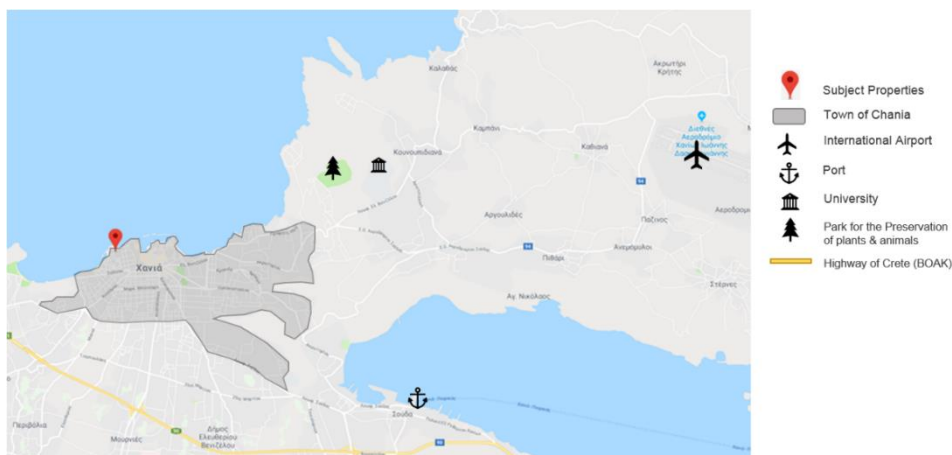
The immediate area of the properties is mixed use and comprises of residential buildings local shops, schools, restaurants, small hotels and sites of touristic interest.

Indicative occupiers in the area:

- 1st high School of Chania
- Ileon Hotel
- Natatorium of Chania
- Rooms to let
- Restaurants

Indicative map of the subject area:





4. Property Description

1) Land Description

Area (m²) of land plot:

Land Plot 1: 2,904.82m²

Land Plot 2: 3,762.39m²

Land Plot 3: 4,321.33m²

Land plots of large size

Regular shape

Sea view

Total land area: 10,988.54m²

Shape & Dimensions:

Land Plot 1 (28^a):

Regular rectangle shape

It borders according to the Topographic plan :

North: frontage of total length of 68.12m to Akti Kanari street and beyond to the sea,

West: frontage of total length of 42.41m to Patriarchou Athanasiou street

South: frontage of total length 68.28m to a pedestrianized street (5m wide).

East: frontage of total length of 41.78m to a municipal street (8m wide)

Land Plot 2 (28^o):

Regular rectangle shape

It borders according to the Topographic plan :

North: frontage of total length of 68.30m to a pedestrianized street (5m wide) and beyond to land plot 1.

West: frontage of total length of 55.00m to Patriarchou Athanasiou street

South: frontage of total length 68.58m to a pedestrianized street (5m wide).

East: side of total length of 54.99m to a municipal street and beyond to High school of Chania

Land Plot 3 (28^e):

Irregular shape

It borders according to the Topographic plan :

North: frontage of total length of 68.53m to a pedestrianized street (5m wide) and beyond to land plot 2 and to a frontage of total length 27.09m to a municipal street

West: frontage of total length of 18.51m to Patriarchou Athanasiou street and to a side of total length 38.37m to property of unknown owners

South: frontage of total length 58308m to Patriarchou Ioakim Street
 East: side of total length of 9.10m to adjacent property of unknown owners and on a frontage of total length 47.27m to municipal street.

Orientation:

Land plot 1: North towards Akti Kanari
 Land plot 2: West towards Patriarchou Athanasiou street
 Land plot 3: West towards Patriarchou Athanasiou street and south towards Patriarchou Ioakim

Gradient:

Slight gradient from south to north.

Fencing:

Old stone fencing

Infrastructure:

Within the property there are two smelting furnaces and a derelict ground floor industrial building of total area of 460m².

Public Utilities:

All public utility networks are available (Electricity, telecommunication, water supply, sewage disposal).

General Comments:

The property was formerly owned by "ABEA SA" and occupied by the old factory of the firm which manufactured olive oil soap. In 1994, the firm relocated thus leaving the whole Building Block vacant. Today the ruins inside the subject properties are a landmark of the wider area and locals regard it as a modern monument of the industrial history and heritage of the island.

2) Planning Status

According to the data provided, the land plots lie inside sector III of the initial town plan of Chania and are subject to the below building regulations:

Land plots intact, buildable and integral

Inside Chania Town plan, sector III

There is an obligation for the contribution of land section of total area 341.46m² for common use (pedestrianized street)

Presidential Decree

Government Gazette FEK335A/14.11.1946 (Approval of town plan)

Government Gazette FEK143Δ/16.03.1995 (Modification of Chania Town Plan)

Land plot requirements – Buildability – Constructability

General Rule: Min Size of Plot = 200,00m², Min Façade = 10,00m

Exception to General Rule (before 23-6-1962): Min Size of Plot = 80,00m², Min Façade = 6,00m

Exception to General Rule (before 9-6-1973): Min Size of Plot = 200,00m², Min Façade = 8,00m

Building Coefficient:	2,00
Coverage Ratio:	60%
Max Height:	According to New Building Code (NOK)
Side Distance:	According to New Building Code (NOK)
Permitted Uses:	General Residential Zone

5. Legal & Ownership Status

For the purposes of the valuation report, we assume that the subject property is owned by «EPENDITIKI CHANION SA» and that it is clear and free of any encumbrances or charges that may affect its value.

6. Valuation Methodology

In order to determine the Fair Value of the subject land plots, we apply the Comparative method for Land plots 1 and 2 and the Residual Method for Land plot 3.

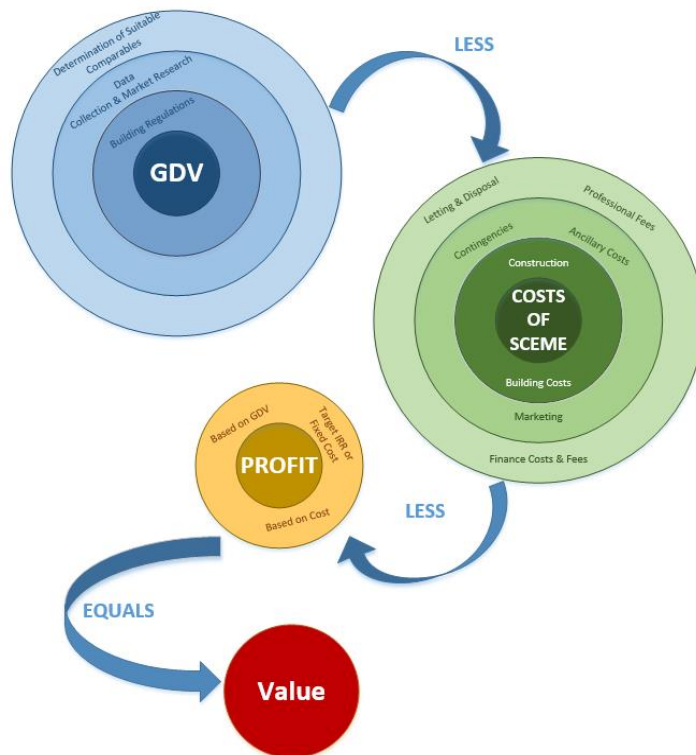
The Comparable Method estimates a value by analyzing prices obtained from sales or lettings of properties similar to the subject property and adjusting the unit values to take account of differences between the comparables and the property in question (EVS 2020, EVIP 5). The process of this methodology is presented to the following diagram:



Reasons for choosing Comparative Method:

- The Comparative Method uses and analyses similar comparables to the subject property.
- The greater area of the property in question provides comparable evidence of similar uses, areas and general characteristics.
- We were able to identify asking sales and rents for similar properties.

Residual Method is a hybrid of the market approach, the income approach and the cost approach. It is based on the completed “gross development value” and the deduction of development costs and the developer’s return to arrive at the residual value of the development property (IVS 2020, p.106, par.40). The Residual Method is applied by using ARGUS Developer® software. In detail, the Residual Method is used to arrive at a value for a vacant site or a building for redevelopment. It entails estimating the Gross Development Value based on the best-case scenario for development or redevelopment. From the Gross Development Value all construction and finance costs, as well as the developer’s profit, are deducted in order to arrive to the present value of the property under question (EVS 2016, EVIP 5, par 6.5). The process of this methodology is presented to the following diagram:



Reasons for choosing Residual Method:

- The subject property is suitable for development; therefore, the Residual Method is applicable.
- We were provided by the Instructor a Business Plan concerning the development of Land plot 3.
- We were able to identify asking prices and rents for the potential uses according to the best-case scenario.

General Assumptions:

- We assume that all necessary licenses and approvals will be issued timely and that the proposed development will be constructed according to the planning restrictions and regulations.
- According to the submitted data and verbal confirmation from the instructor we have been informed that the existing ruins inside the properties (built before 1955) of total area 463m² are characterized as listed monuments.

7. SWOT Analysis

Strengths:

- The subject properties are centrally located in the “Nea Chora” district of Chania
- The land plots are next to the sea, adjacent to the coastline, offering sea view
- The property is located in a touristic destination
- Direct access to archeological sites
- The ownership of the land plot belongs to only one legal entity without the involvement of multiple co-owners
- Large size plots suitable for development

Weaknesses:

- The properties are not located in the prime region of Chania town
- The plots will be divided by pedestrianized streets which interrupt the continuity of the development

Opportunities:

- Chania is a destination with seasonality with an extended tourist season
- Demand, rental levels and selling prices are growing after a 10-year falling period.

Threats:

- From the development of the proposed scheme, a large supply of apartments will be constructed which may result in a low absorption rate by the local market.
- High property taxes.
- Increasing construction costs push market values to rise and yields to compress.

8. Market Analysis

1) Comparable Evidence

From our market research into the local property market, we identified the following comparable evidence:

Apartments for sale:

Comparable Data - Apartments for Sale												Source
Comparable Data												
No.	Area (m ²)	Level	Municipality	Area	Street	Year of Construction	Parking Spaces	Storage Area	Additional Information	Asking Price €	Asking Price per €/m ²	
1	91,00	2	Chania	Ano Kapi	28 Zimber str.	2010	Yes	Yes	Autonomous heating, 2 bedrooms, kitchen, bathroom, aluminum frames, 160m from the sea	195.000,00 €	2.142,86 €	Petroulakis Dimitrios tel: 2821044455 mob: 6946284629
2	50,00	2	Chania	Center	n/a	2013	Yes	Yes	Autonomous heating, 1 bedroom, 1 bathroom, solar panel	130.000,00 €	2.600,00 €	www.remax-specialists.gr tel: +30 2821058833 mob: 6977707798
3	59,00	2	Chania	Chania	n/a	2007	No	No	Autonomous heating, 1 bedroom, 1 bathroom, aluminum frames with double glazed windows, façade, 200m from the sea	147.000,00 €	2.491,53 €	OLYMPUS RE tel: 2821888023
4	75,00	3	Chania	Chania	n/a	2010	Yes	No	Autonomous heating, solar panel, 2 bedrooms, bathroom, safety door, aluminum frames with double glazed windows	165.000,00 €	2.200,00 €	REMAX Specialists tel:2821058833
5	45,00	1	Chania	Chalepa	n/a	2012	Yes	No	Façade, 1 bedroom, bathroom, autonomous heating, a/c,	98.000,00 €	2.177,78 €	ENTRY PROPERTIES tel:6937332135

Retail stores for rent:

Comparable Data - Retail Stores for Rent											Source
Comparable Data											
No.	Area (m ²)	Municipality	Area	Street	Year of Construction	Parking Spaces	Storage Area	Additional Information	Asking Price €/month	Asking Price per €/m ² /month	
1	70,00	Chania	Enetiko limani	Akti Tompazi	n/a	No	No	Near to the port and the market, corner property, façade	1.300,00 €	18,57 €	Ktimatikes Synallages Andreadi tel: 2821888003
2	30,00	Chania	Center	16 Ipsilanton str. 35.512015544374876, 24.01965940149375	1980	No	No	Frontage 3m, middle property, in good condition	350,00 €	11,67 €	Contract Real Estate, tel. 6944654502
3	80,00	Chania	Palio Limani	v/α	1980	No	No	Frontage 9m to main street, 1wc, 7km from the port of Souda	850,00 €	10,63 €	REMAX Specialists tel:2821058833
4	65,00	Chania	Center	Grigoriou E str.	1950	No	No	Façade, refurbished, on main street	585,00 €	9,00 €	www.eproperties.gr - tel:2810335070, mob:6988038737
5	105,00	Chania	Chania	Gogoni & Zymvrakidon 35.50431698770965, 24.017868174079364	1990	No	No	Corner property, façade, wooden frames, structured wiring, in need of renovation	1.500,00 €	14,29 €	www.remax-specialists.gr tel: +30 2821058833 mob: 6977707798

Land plots for sale:

Land plots inside the town plan										Source
Comparable Evidence										
no.	Area (m ²)	Municipality	Area	Street	Planning Status	BC	Additional Info	Asking Price €	Asking Price €/m ²	
1	530,00	Chania	Center	Iroon Polytechniou 37	Inside town plan	2,00	High visibility	580.000,00 €	1.094,34 €	Contract RE tel:2821046076
2	600,00	Chania	Center	Nearchou 18	Inside town plan	1,60	Commercial property, with building 300sqm	1.000.000,00 €	1.666,67 €	Contract RE tel:2821046076
3	615,00	Chania	Close to the Courts	n/a	Inside town plan	1,60	5km from the port of Souda, 12km from the airport and 2,6km from the city centre. Suitable for commercial and residential uses	550.000,00 €	894,31 €	REMAX RE tel: 2821058833
4	813,00	Chania	Centre	n/a	Inside town plan	1,00	With old residence inside the plot	420.000,00 €	516,61 €	Contract RE tel:2821046076
5	285,00	Chania	Roloi	n/a	Inside town plan	2,00	Close to the Courts and the city centre	350.000,00 €	1.228,07 €	Contract RE tel:2821046076
6	372,00	Chania	Centre	n/a	Inside town plan	1,00	2km from the sea	300.000,00 €	806,45 €	Contract RE tel:2821046076
7	440,00	Chania	Centre	n/a	Inside town plan	1,00	1km from the sea	450.000,00 €	1.022,73 €	Contract RE tel:2821046076

Based on the above comparative market data, we summarize our finding as follows:

- Newly built apartments, in the centre of Chania, are offered for sale from €2,100/m² to €3,200/m² (depending on the size, location, view, technical specifications, ease of accessibility, age, layout, floor, refurbishment and maintenance, availability of storage room & parking and additional amenities).
- Retail stores, in the centre of Chania, are offered for rent from €10.50/m²/month to €20.00/m²/month (depending on the size, location, view, visibility, technical specifications, ease of accessibility, availability of storage room & parking and additional amenities).
- Land plots inside the town plan in the centre of Chania, are offered for sale from €700.00/m² to €1.700.00/m² (depending on the size, location, view, the planning regulations, the permitted building coefficient and uses, the ease of accessibility, the view, the distance from the coastline and the city centre, and additional amenities).
- In some cases, and according to the special features of the property, the asking prices may be higher or lower than the indicative ranges.

2) Real Estate Market

Description of the Local Market

<i>Commercial & residential development:</i>	The wider area is a highly developed touristic destination with mixed uses (residential and commercial) serving the needs of the area. The district “Nea Chora” is also mixed use although the commerciality is observed along the central and coastal streets and residential development expands in the inner roads.
<i>Commerciality:</i>	Chania’s commercial development is concentrated mainly in the old town. Commercial uses in “Nea Chora” neighborhood, are situated along Akti Papanikoli street close to the beach, along Skalidi and Kissamou street.
<i>Average age of building stock:</i>	Most buildings in the area are over 30 years old.
<i>Development rate:</i>	Moderate
<i>Landmark:</i>	ABEA former factory Natatorium of Chania 1 st High school of Chania
<i>Supply:</i>	Adequate supply of residential properties and land plots for sale.
<i>Demand:</i>	Increasing demand for apartments and land plots in the wider area.

9. Fair Value

According to the above calculations, the Fair Value of the three land plots located at 43-45 Akti Kanari, 32-34 Patriarchou Athanasiou & 32 Patriarchou Ioannikiou, in Nea Chora district, Municipality of Chania, Region of Crete, amounts to **€11,310,000.00** (Eleven million three hundred and ten thousand Euros).

Land plots, 43-45 Akti Kanari, 32-34 Patriarchou Athanasiou & 32 Patriarchou Ioannikiou, Municipality of Chania, Regional unit of Chania, Region of Crete				
Property	Address	Area (sqm)	Fair Value € as of 31.12.2021	Gross Development Value € *
Land plot 1	BB 28a	2.904,82	3.500.000,00 €	
Land plot 2	BB 28γ	3.762,39	4.390.000,00 €	
Land plot 3	BB 28ε	4.321,33	3.420.000,00 €	22.390.000,00 €
Total			11.310.000,00 €	

1) Apportionment of Fair Value

In our opinion and according to market evidence on construction costs, for the determination of the Replacement Cost of the buildings as new, we attach the following table that presents the Replacement Cost per m² per area and the depreciation factor accordingly:

Type of Construction	Range of Current Gross Construction Cost	Estimated Average Replacement Cost €/m ² (For new Constructions)	Range of Annual Depreciation Rate %	Estimated Annual Depreciation Rate %
Industrial Building	€300,00/m ² to €600,00/m ²	500,00 €	1% to 2%	2,00%

Based on the above assumptions, the Depreciated Replacement Cost of the property at the critical date of the valuation, is calculated as follows:

Land plots, 43-45 Akti Kanari, 32-34 Patriarchou Athanasiou & 32 Patriarchou Ioannikiou, Nea Chora, Chania, Region of Crete								
Depreciated Replacement Cost								
Level	Area (m ²)	Estimated Replacement Cost €/m ² (For new Constructions)	Replacement Cost (as New)	Age (yrs)	Depreciation Rate	Age Coefficient	Depreciated Replacement Cost (€)	Rounded (€)
Ground Floor	460.00	500,00 €	230,000.00 €	71	2,00%	0,25	56.378,78 €	56,400.00 €
	460.00		230,000.00 €					56,400.00 €

According to the above calculations, the apportionment of the Fair Value is presented in the table below:

Land plots, 43-45 Akti Kanari, 32-34 Patriarchou Athanasiou & 32 Patriarchou Ioannikiou, Nea Chora, Chania, Region of Crete	
Account	Fair Value
Land 1 & 2 (Account 10)	7,833,600.00 €
Building (Account 11)	56,400.00 €
Total	7,890,000.00 €

The subject report is a short version of the Full Report with prot. no. PEF-973/4-2022.

Publication

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Appendix 1 Bases of Valuation

General Terms of Valuation Reports

Pepper Hellas Asset Management S.A., in order to provide valuation/ consultancy services, is governed by the following assumptions, limitative requirements and specifications:

Our report has been prepared in accordance with the standards of the Royal Institution of Chartered Surveyors (*RICS Valuation – Global Standards, 2020*), the European Valuation Standards of TEGoVA (*The European Group of Valuers' Associations - EVS 2020, 9th edition*) and the International Valuation Standards of the IVSC (*International Valuation Standards Council – IVS 2020*). These standards also comply with the International Financial and Reporting Standards (IFRS).

Valuation Bases

Market Value is “the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without being under compulsion” (*EVS 1, European Valuation Standards 2020, 9th Edition, p. 15*).

Market Value is to be the estimated value of a property and so excludes the additional costs that may be associated with sale or purchase as well as any taxation on the transaction (*EVS 1, European Valuation Standards 2020, 9th Edition, p. 34*).

Market Rent is “the estimated amount of rent at which the property should be leased on the date of valuation between a willing lessor and a willing lessee on the terms of the actual or assumed tenancy agreement in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without being under compulsion” (*EVS 1, European Valuation Standards 2020, 9th Edition, p. 15*).

Fair Value according to EVS and Equitable Value according to IVS (General Definition) is defined as “the price that would be received to sell a property or paid to transfer a liability in an orderly transaction between identified willing market participants possessing full knowledge of all relevant facts, making their decision in accordance with their respective objectives” (*EVS 2, European Valuation Standards 2020, 9th Edition, p. 39*)

Equitable Value requires the assessment of the price that is fair between two specific, identified parties considering the respective advantages or disadvantages that each will gain from the transaction. In contrast, Market Value requires any advantages or disadvantages that would not be available to, or incurred by, market participants generally to be disregarded (*IVS 2020, p. 21*).

Fair Value (for Accounting Purposes) is “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date” (*International Accounting Standards Board (IASB), International Financial Reporting Standards (IFRS) 13, Par. 1*).

Investment Value or Worth is “the value of an asset to the owner or a prospective owner for individual investment or operational objectives (May also be known as worth)” (*RICS Valuation – Global Standards 2020, p.57*).

Special Value is defined as “an opinion of value that incorporates consideration of characteristics that have a particular value to a Special Purchaser” (EVS 2, European Valuation Standards 2020, 9th Edition, p.41).

A **Special Purchaser** is a “purchaser who can optimize the usefulness of a property compared to other market participants and whose opinion of price equates to a Special Value” (EVS 2, European Valuation Standards 2020, 9th Edition, p.41).

Synergistic Value or Marriage Value is defined as “the result of a combination of two or more assets or interests where the combined value is more than the sum of the separate values” (IVS 2020, p. 22).

Liquidation Value is “the amount that would be realised when an asset or group of assets are sold on a piecemeal basis” (IVS 2020, p. 22).

Liquidation Value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under two different premises of value:

- (a) an orderly transaction with a typical marketing period, or
- (b) a forced transaction with a shortened marketing period

Mortgage Lending Value is “the value of immovable property as determined by a prudent assessment of the future marketability of the property taking into account long-term sustainable aspects of the property, the normal and local market conditions, the current use and alternative appropriate uses of the property” (EVS 2, European Valuation Standards 2020, 9th Edition, p.42).

Mortgage Lending Value should not take into account any speculative elements (EVS 2, European Valuation Standards 2020, 9th Edition, p.43).

Insurable Value means “the sum stated in the insurance contract applying to that property as the liability of the insurer should damage and financial loss be caused to the insured by a risk specified in the insurance contract occurring to that property”. When instructed to provide an insurable value, the valuer is to determine the figure that will provide appropriate insurance cover for the property (EVS 2, European Valuation Standards 2020, 9th Edition, p.43).

Where reinstatement is the basis of the assessment, the principle is to replace what might be damaged or destroyed as it was before the event. **Replacement cost** is defined as the cost to replace the damaged property with materials of like kind and quality, without any deduction for depreciation. If the valuer is instructed to use **Depreciated Replacement Cost** or if it is appropriate to do so, then the valuer should assess the new replacement cost and then deduct an allowance for ageing and wear and tear of the structure. This cover equates to the replacement of the building as it is, not to its replacement with a new building (EVGN 4, European Valuation Standards 2020, 9th Edition, p. 117).

Plant and Equipment connected to a building

According to IVS 300 Plant & Equipment, plant and equipment connected with the supply or provision of services to a building are often integrated within the building and, once installed, are not separable from it (IVS 2020, p. 92).

Assumptions and Special Assumptions

In addition to stating the basis of value, it is often necessary to make an assumption or multiple assumptions to clarify either the state of the asset in the hypothetical exchange or the circumstances under which the asset is assumed to be exchanged. Such assumptions can have a significant impact on value (IVS 2020, p. 27).

An **assumption** is made where it is reasonable for the valuer to accept that something is true without the need for specific investigation or verification. Any such assumption must be reasonable and relevant having regard to the purpose for which the valuation is required (RICS Valuation – Global Standards 2020, p.58).

A **special assumption** is made by the valuer where an assumption either assumes facts that differ from those existing at the valuation date or that would not be made by a typical market participant in a transaction on that valuation date.

Where special assumptions are necessary in order to provide the client with the valuation required, these must be expressly agreed and confirmed in writing to the client before the report is issued.

Special assumptions may only be made if they can reasonably be regarded as realistic, relevant and valid for the particular circumstances of the valuation (RICS Valuation – Global Standards 2020, p.58-59).

Premise of Value/ Assumed Use

A **Premise of Value** or **Assumed Use** describes the circumstances of how an asset or liability is used. Different bases of value may require a particular Premise of Value or allow the consideration of multiple Premises of Value (IVS 2020, p. 24).

Some common Premises of Value are:

- (a) highest and best use,
- (b) current use/existing use,
- (c) orderly liquidation, and
- (d) forced sale.

Highest and best use is the use, from a participant perspective, that would produce the highest value for an asset.

The highest and best use must be physically possible (where applicable), financially feasible, legally allowed and result in the highest value.

The highest and best use for an asset may be its current or existing use when it is being used optimally. However, highest and best use may differ from current use or even be an orderly liquidation (IVS 2020, p. 24).

Current use/ existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use (IVS 2020, p. 25).

An **orderly liquidation** describes the value of a group of assets that could be realised in a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis (IVS 2020, p. 25).

The term “**forced sale**” is often used in circumstances where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible, and buyers may not be able to undertake adequate due diligence. The price that could be obtained in these circumstances will depend upon the nature of the pressure on the seller and the reasons why proper marketing cannot be

undertaken. It may also reflect the consequences for the seller of failing to sell within the period available.

The price that a seller will accept in a forced sale will reflect its particular circumstances, rather than those of the hypothetical willing seller in the Market Value definition. A “forced sale” is a description of the situation under which the exchange takes place, not a distinct basis of value (IVS 2020, p. 25).

References

- TEGoVA (2020), *European Valuation Standards – EVS 2020, 9th Edition*, available at: www.tegova.org
- RICS (2020), *RICS Valuation – Global Standards 2020*, available at: www.rics.org/standards
- IVSC (2020), *International Valuation Standards – IVS 2020*, available at: www.ivsc.org

Properties' Condition

It is noted that during the inspection we did not notice any indication that the subject property or the nearby properties are affected or have been affected by any causes, such as pollution, natural or chemical (such as asbestos, insulating formaldehyde foam, other chemical or toxic wastes, or any other known or unknown dangerous materials) which could affect its/their value. In addition, and regarding green fields, we did not notice any landfill with unknown materials that may positively or negatively affect their value.

If it is concluded, ex post facto, that there is some kind of pollution on the subject property or on any nearby land, or that the buildings have been used or are used with means that could cause pollution problems, we reserve the right to change the values accordingly.

It is also noted that we did not inspect the hidden, covered, invisible or inaccessible areas of the subject property. Therefore, we are unable to give an opinion regarding their condition and, for the purposes of the valuation report, it is considered that they are in good condition and that no repairs need to be made. This report must not be construed as confirmation of the integrity of the architectural and static construction or the building's legality, taking into account the building's compliance to government regulations, fire regulations, safety and anti-seismic protection regulations, environmental protection or energy efficiency regulations etc., unless otherwise stated in the report.

It is also recommended that the client consults a respective specialist engineer and/or environmentalist, for the assessment of potential construction or environmental problems regarding the property, the existence of which could substantially affect the subject property's value.

Furthermore, it is mentioned that we were not asked and we neither carried out any ground analysis or geological report, nor investigated the subsoil for possible existence of water, oil, gas, precious metal, or any other mineral as well as rights of extraction or usage, the existence of which could affect the property's value.

Data Used

In order to carry out the valuation report, the data mentioned in the relevant paragraph was taken into account. Pepper Hellas Asset Management S.A. did not apply audit procedures on any of the information provided, due to the fact that this would be out of its range of work and therefore, in order for the report to be compiled (unless otherwise specified), we consider the submitted data to be precise and correct.

Regarding the legal status of the properties, we did not check the title deeds. It is assumed that the owners' declarations are accurate, the rights on the fixed assets are strong and tradable, and that there are no legal difficulties of any nature that cannot be overcome by means of normal legal procedures within a fair period of time, unless otherwise stated in the report.

The properties' measurement data (surface, dimensions, etc.) that are quoted in the report have not been verified, unless otherwise stated, and for this reason, they should not be considered as precise property measurements.

For the purposes of the report, it is assumed that the fixed assets under consideration comply with the applicable town planning regulations, as well as the use of land, and that there is no issue of encroachment unless specifically mentioned in the report.



Appendix 2 Photos

Land plots located at 43-45 Akti Kanari, 32-34 Patriarchou Athanasiou & 32 Patriarchou Ioannikiou, in Nea Chora district, Municipality of Chania, Regional unit of Chania, Region of Crete

