

SHORT REPORT

FAIR VALUE ASSESSMENT AS OF 31.12.2021

OF A 3* HOTEL UNDER CONSTRUCTION IN ATHENS

Ref. Number.: PEF-973

To:

RINASCITA S.A.

8th of April 2022



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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.

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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.



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Appendix 1

Basis of Valuation

Appendix 2

Photographs

Executive Summary

Instructor:	RINASCITA S.A.
Valuer:	Pepper Hellas Asset Management SA
Subject of Valuation:	The Leasehold Right of a commercial building with 9 floors and 2 basements, of total area 10,081.00m ² .
Property's Address:	65 Stadiou street, 1 st Municipal District of Athens, Municipality of Athens, Regional Unit of Central Athens, Region of Attica
	<p><i>General photo of subject property:</i></p> 
Purpose of Valuation:	The Valuation is prepared for IFRS purposes.
Basis of Valuation:	<p>The basis of valuation is the Market 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.</p> <p>The definitions of the bases of our valuation according to the current standards are stated in Appendix 1 of this report.</p>
Premise of Value:	Highest and Best use
Currency:	EUR (€)
Critical date of valuation:	31/12/2021
Date of the report:	8/4/2022

Total Values:

Value	€
Fair Value	22,670,000.00 € (Twenty-two million six hundred and seventy thousand Euros)
Gross Development Value (GDV) *	26,260,000.00 € (Twenty-six million two hundred and sixty thousand Euros)
Weighted Average Cost of Capital (WACC)	8,00%
<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>	

We note that according to the European Valuation Standards of TEGoVA (The European Group of Valuers’ Associations – EVS 2020, 9th Edition), EVS1:

“For Accounting Purposes - Fair Value is specifically adopted as a term under International Financial Reporting Standards for which, albeit with slightly less detailed assumptions than the full definition of Market Value, it may often give the same result as Market Value. For this purpose, it is defined as: “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). This definition was introduced by IFRS 13 Fair Value Measurement and came into force from 1 January 2013.”

Accordingly, the Royal Institution of Chartered Surveyors (The Royal Institution of Chartered Surveyors – RICS Valuation – Global Standards 2020), VPS 4, par. 7, p. 57, states that:

“The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. It is thus sometimes described as a ‘mark to market’ approach. Indeed, the references in IFRS 13 to market participants and a sale make it clear that for most practical purposes the concept of fair value is consistent with that of market value, and so there would ordinarily be no difference between them in terms of the valuation figure reported.”

1. Instruction

Further to your instructions dated 12/11/2021 with ref. no. **SAO-1422** dated the **12/11/2021**, we have proceeded to the determination of the Fair Value of the leasehold right of a commercial building planned to be redeveloped into a city hotel, located at 65 Stadiou street, 1st Municipal District of Athens, Municipality of Athens, Regional Unit of Central Athens, Region of Attica.

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 bases 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 the leasehold right of commercial building planned to be redeveloped into a hotel, located at 65 Stadiou street, 1st Municipal District of Athens, Municipality of Athens, Regional Unit of Central Athens, Region of Attica.

Date of drive-by Inspection: **22/12/2021**

Data provided:

- Building permit no. 3642/1967, for the construction of a nine-storey office building issued by the Planning Authority of Athens.
- Topographic Diagram signed by the company Alexandros Karditsas and Associates, dated February 2019, scale 1:200.
- Final Table listing the Investment Plans submitted for eligibility to the Development Law 4399/2016 for private investment with ref. number 131005/17-12-2019, issued by the Ministry of Development & Investments.
- Table of the areas and uses of the subject property.
- Facades and floor plans drafted by the company 'aksm', dated August 2018, scaled at 1:50.
- Lease contract signed the 20th July 2018 between the Army Pension Fund (MTΣ), The Hellenic Armed Forces Officers' Club (LAED) and Rinascita S.A.
- Business plan updated .7/2/2020
- Budget versus Actuals dated 31/12/2021

3. Location

Address:

The subject property is located on Omonia square, 65 Stadiou street, 1st Municipal District of Athens, Municipality of Athens, Regional Unit of Central Athens.

Property located on Omonia square

Excellent visibility

Close proximity to subway station

Direct accessibility to main streets

GIS Coordinates:

Latitude: 37.983381,

Longitude: 23.728496 (*according to Google maps*)

Location:

Municipality of Athens: Athens is the capital and largest city of Greece. It is recognized as a global city because of its location and its importance in shipping, finance, commerce, media, entertainment, arts, international trade, culture, education and tourism. It is one of the biggest economic centers in southeastern Europe, with a large financial sector. The Municipality of Athens includes the historic center of the city as well as the adjacent neighborhoods. It has a population of approximately 745,000 residents, an area of 412km² and it is divided into seven municipal districts which are mainly used for administrative purposes.

Subject area: The subject property is located in the 1st municipal district of the Municipality of Athens, across the Omonia square. The last decade the area has experienced serious urban decay. Despite that, it remains a focal point for commercial and social life in Athens. The last two years there has been an attempt to upgrade the area, while Omonia square is being redeveloped since the last year.

Omonia square is a point on which main thoroughfares of the city centre meet: Stadiou, Athinas, Panagi Tsaldari (Piraeus), Panepistimiou, Agios Konstantinos and September 3rd. Underneath the square, line 1 with Metro 2 branch off. Currently, the square is under remodeling. The improved Omonia Square, will include a fountain that has been so closely associated with the Athenians' memory, lit-up with new lamps, and will include green spaces.

The subject property is located close to all the town's main facilities, the commercial activity and life of the city. The immediate area has no residential uses. Syntagma Square and the Greek Parliament is situated within a distance of 800m.

Stadiou Str.: It is a major thoroughfare of Athens with 4 lanes, which are heading to Syntagma Square. On both sides of the street, there are commercial buildings, as well as the Old Parliament. There are no residential uses.

Accessibility:

By car: The subject property is accessed from west to east by P. Tsaldari Str. and from north to south by 28th October str.

Public means of transport:

- Attiko Metro: The property is served by the metro station (Line 1 and 2) "Omonia Square", at approximately 100m.
- Public Buses: The area is served by the bus lines 035, 057, 227, 500, 790, 815, 856

By air:

The city is served by Athens International Airport which is located at a distance of approximately 40km.

By train: Railway links include trains to Thessaloniki, and international destinations of Sofia, Skopje, Belgrade and Bucharest. The train station "Stathmos Larissis" is situated at approximately 1.5km to the north of the subject property. In addition, there are suburban routes including Kiato - Airport and Piraeus – Chalkida.

By sea:

The subject property is approx. 10km from the port of Piraeus.

Surrounding area:

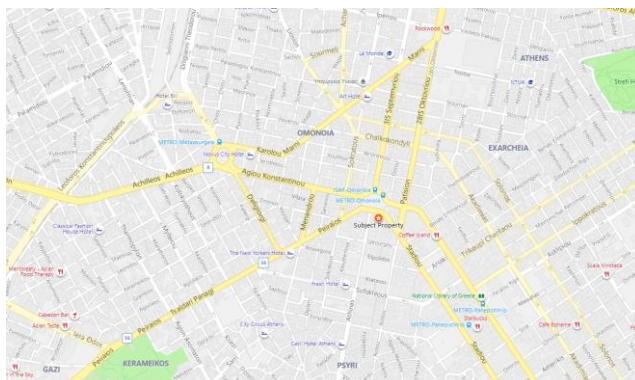
The area is mainly characterised by mixed commercial uses, including public/private institutions, galleries or embassies, restaurants, traditional taverns, cafeterias, small shops and a great number of hotels. The building stock includes some listed neoclassical buildings along the pedestrian streets and multi-storey commercial buildings of old age.

Indicative occupiers in the area:

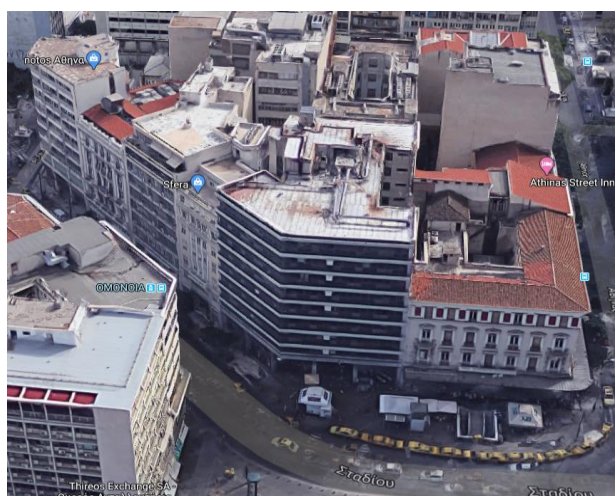
- Athens Tiare Hotel
- Grecotel Pallas Athens
- Polis Grand Hotel
- Hondos Center
- Bershka
- Council of Territory
- Various small retail units and offices

Indicative map of the subject area:

Wider Area Map:



Indicative Area Map:



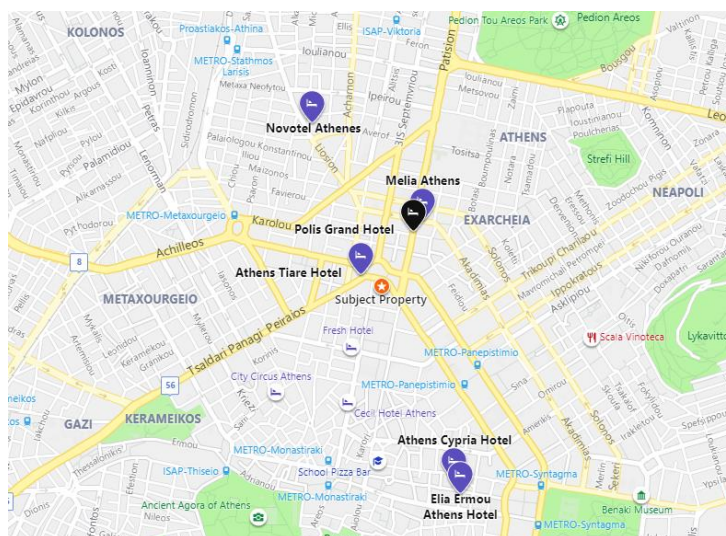
Competitive Hotel Units:

The subject property is planned to be redeveloped into a city hotel. The surrounding area is an established touristic destination of Athens, that attracts millions of visitors for leisure and business purposes every year. Hotel units operate on an annual basis. In close proximity to the subject property, the following hotels are operating:

Hotel Units – Omonia's neighborhood				
Hotel Name	Star Rating	Hotel Type	Location	# Rooms
Athens Tiare Hotel	4*	City Hotel	Omonia	111
Elia Ermou Hotel	4*	City Hotel	Syntagma	123
Melia Athens	4*	City Hotel	Omonia	136
Athens Cypria	4*	City Hotel	Syntagma	115
Novotel	4*	City Hotel	Centre	196
Polis Grand	4*	City Hotel	Omonia	99
Total				780

Source: Hellenic Chamber of Hotels, edited by Pepper Hellas

Indicative map of competitive hotels in the area:



4. Property Description

1) Land plot description

Area of land plot:

According to the Topographic plan signed by the company Alexandros Karditsas and Associates, the land plot has a total area of **1,137.09m²**.

Land plot located in tourist area

Land plot of large size

Irregular shape

Corner property

Shape & Dimensions:

- The land plot is of irregular shape.

According to the topographic plan the land plot borders:

North: with Stadiou str of total 36.85m

West: with unknown property of total 48.06m

South: with unknown property of total 22.20m

East: with unknown properties of total 39.15m.

Orientation:

- North-East towards Stadiou str.

Gradient & Soil type:

- Slight gradient, almost horizontal.
- Sandy soil type.

Fencing:

No fencing.

Infrastructure:

- All necessary infrastructure is applied for the erection of the buildings.

Public Utilities:

All public utility networks are assumed to be in place (electricity, telecommunication, water supply, sewage disposal).

2) Planning Status

According to the data provided, the land plot is located within the 66001 Building Block, inside the planning zone of the Municipality of Athens, and is subject to the below building regulations:

Land plot intact, buildable and integral

Inside the town plan of the City of Athens

Presidential Decree

Government Gazette 704D/1994

Land plot requirements

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

Exception to General Rule (before 9-6-1973): Min Size of Plot = 112,50m², Min Façade = 6,00m

Building Coefficient: 4.00

Coverage Ratio: 60% (NOK)

Max Height: According to New Building Regulation (NOK)

Permitted Uses: Government Gazettes 80/D/1988 and its modifications, 704/D/1994

Archaeology: Yes

Historical Center: Yes

3) Building Description

The subject property was initially constructed according to the building permit 3642/1967 as an office building comprising of two basements, ground floor, mezzanine and nine levels above. It is also known as «SAROGLIO MEGARO».

Ten-storey commercial building

Year of construction 1967

Commercial building, 65 Stadiou street, 1st Municipal District of Athens, Municipality of Athens, Region of Attica		
Level	Use	Area
Basement -2	Ancillary	1.116,00
Basement -1	Ancillary	984,00
Ground Floor	Ancillary	81,00
	Retail	189,00
	Main Use	432,00
	Alley	281,00
Mezzanine	Main Use	83,00
1st Floor	Main Use	880,00
2nd Floor	Main Use	880,00
3rd Floor	Main Use	880,00
4th Floor	Main Use	880,00
5th Floor	Main Use	880,00
6th Floor	Main Use	880,00
7th Floor	Main Use	880,00
8th Floor	Main Use	880,00
9th Floor	Main Use	156,00
Total		10.081,00

Indicative photos of the property are attached in [Appendix 2](#).

4) Building Status

- ⇒ According to the data provided, it is presumed that the existing building was not built in exceedance or deviate from the permissible land use set out by the existing building regulations and restrictions, as defined in article 81, of the Law 4495/17.
- ⇒ In any case, the current report as far as planning legalities is concerned, does not substitute the necessary engineer's certificate, according to the Law no. 4495/17.

5. Proposed Development

According to the data provided, the instructor intends to redevelop the existing building into a 3* city hotel of contemporary design and specification with a capacity of 200 rooms. It will operate under the management of a well-known operator, to ensure the necessary expertise and sophistication. The levels, areas and uses according to the data provided are presented in the following table:

Commercial building, 65 Stadiou street, 1st Municipal District of Athens, Municipality of Athens, Region of Attica		
Level	Use	Area
Basement -2	Ancillary	1.116,00
Basement -1	Ancillary	309,00
	Main Use	675,00
Ground Floor	Ancillary	81,00
	Main Use	621,00
	Alley	281,00
Mezzanine	Main Use	83,00
1st Floor	Main Use	880,00
2nd Floor	Main Use	880,00
3rd Floor	Main Use	880,00
4th Floor	Main Use	880,00
5th Floor	Main Use	880,00
6th Floor	Main Use	880,00
7th Floor	Main Use	880,00
8th Floor	Main Use	880,00
9th Floor	Main Use	156,00
	Outdoor covered area	246,00
Total		10.081,00

1) Technical Specification

We have been informed that the building will be redeveloped according to the principles of sustainability, ensuring its energy and environmental efficiency. In terms of technical specification high quality standard finishes, state of the art systems and elegant design are going to be implemented according to verbal information from the instructor.

- Frame:
 - Reinforced concrete frame
- Roof:
 - Flat concrete roof
- Walls & Partitions:
 - External walls: Concrete and masonry
 - Internal walls: Masonry
- General:
 - Construction materials planned to be used in all phases of construction will be certified in accordance to the specifications of LEED certification.
 - The subject property will be of excellent quality of construction.

6. Legal & Ownership Status

For the purposes of the valuation report, it is assumed that the subject property is co-owned by Army Pension Fund (MTΣ), with a percentage of ownership of 62% and The Hellenic Armed Forces Officers' Club (LAED) with a percentage of ownership 38% and that it is clear and free of any encumbrances or charges that may affect its value.

The subject property is leased by RINASCITA SA for 50 years. For the purposes of this valuation report, the 50-year leasehold right is examined.

7. Valuation Methodology

In order to determine the Fair Value of **the Leasehold right** we apply the Income Method based on the Discounted Cash Flow Method. In applying the Discounted Cash Flow Method, a pro-forma Profit & Loss Statement is created for the explicit forecast period which, in the case of a leasehold interest, is the entire lease period. The pro-forma Profit & Loss Statement is created based on operating assumptions for all revenue streams and their related costs and expenses, including the estimated lease expense of the property, as well as the construction cost estimated for the redevelopment of the building into a city hotel. The resulting calculations allow for the Net Income to be calculated in order to apply the Discounted Cash Flow Method to the series of the cash flows that have been forecasted.

Reasons for selection of valuation methodology

- The Income Approach is the selected method for the valuation of such properties where value is directly linked to the business operations conducted on the leased property.
- For the subject property, based on the information provided by the instructor, we examine the redevelopment scenario; i.e. the redevelopment of the leased asset and convention to a 3* city hotel.

From the market research conducted with investors, the investment criteria which is typically examined when assessing a particular opportunity is that of Discount Rate which results from the Free Cash Flow to the Firm (FCFF) and on this basis the Net Present Value (NPV) of the investment is determined.

Cash Flow to Firm – FCFF is reached based on the following calculations:

+	Profit/Loss Before Interest and Taxes (EBIT)
+	Depreciation
-	Capital Expenditure
-	Δ Working Capital
=	Free Cash Flow to Firm

The Discount Rate used in a Discount Cash Flow analysis, includes not only the time value of the money but also the risk or uncertainty of future cash flows. In general, the relationship is that the greater the uncertainty of future cash flows, the higher the discount factor.

Discounting factor is the Weighted Average Cost of Capital (WACC). The formula for calculating WACC is as follows:

$$WACC = E/V * R_e + D/V * R_d * (1-T_c)$$

Where:

R_e is the cost of equity

R_d is the cost of debt

E is the market value of the company's equity

D is the market value of the company's debt

$V = E+D$ is the total market value of the company's capital (equity & debt)

E/V is the interest rate of equity financing

D/V is the interest rate of debt financing

T_c is the corporate tax rate.

In order to determine the weighted average cost of capital (WACC) it is necessary to select data from comparable firms. As comparables, firms with significant similarities in both their operational and economic characteristics are taken into consideration, in order to create representative benchmarks. From the sample collected, we exclude any extreme values, therefore the average forms a representative WACC for the subject leasehold asset.

The equation for calculating the Present Value (NPV) of the cash flows provided up to the expiry of the lease is as follows:

$$NPV = C_1/(1+r) + C_2/(1+r)^2 + C_3/(1+r)^3 + \dots + C_n/(1+r)^n$$

Where:

$C_1, C_2, C_3, \dots, C_n$ are the resulting cash flows for the periods 1, 2, 3, ... n respectively, and r the Discount Rate.

General Assumptions:

- For the purposes of this scenario we assume that no special occasions will arise and that the lease agreement will be executed until the end of the agreed period without any break clauses exercised that could terminate the lease sooner.
- For the purposes of this report we assume that all necessary licenses and approvals will be obtained and that the proposed development will comply fully to the local planning restrictions, the building code and other applicable regulations.

8. SWOT Analysis

Strengths:

- Unique location on Omonia square.
- In close proximity to archaeological sites and tourist attractions.
- Easily accessed by all means of transport (metro, tram, busses, trolleys)

Weaknesses:

- Presence of competitive hotel units in the wider area.
- No parking spaces.
- Old building requires total renovation.

Opportunities:

- Tourism in Athens presents an upward trend in recent years with increasing visitor arrivals, offering opportunities to increase occupancy rates and ADRs.
- Athens' tourism market is supported by local authorities and there is a great effort to promote 365 days tourism in the capital, offering multiple experiences through tradition, ancient history, food and entertainment.
- Greece ranks high in the list of tourist destinations, offering an attractive product, based on climatic conditions, its morphology (many islands), culture and gastronomy.
- The further development of specific types of tourism (social tourism, sports tourism, agrotourism, religious tourism, conference tourism, winter tourism, health tourism, spa center, etc.)

Threats:

- The transitional period of the tourist market as a consequence of pandemic Covid-19
- Bureaucracy, the time-consuming process of licensing new hotel investments with several stakeholders.
- Increasing competition due to significant expansion of Greek hospitality industry.
- Development of other competitive destinations.
- Strong competition from neighbouring countries (Turkey, etc.) with lower service costs.
- Increase in taxation (imposition of overnight charges, etc.), which aggravates the competitiveness of the Greek tourist product.
- Increased competition from the various "short-term leasing of residences" platforms (the "sharing" economy).
- Unknown impact of Covid 19 on real estate market.
- In 2021, construction materials increased significantly pushing construction costs to rise and market rents and values to adapt.

9. Hospitality Market Overview

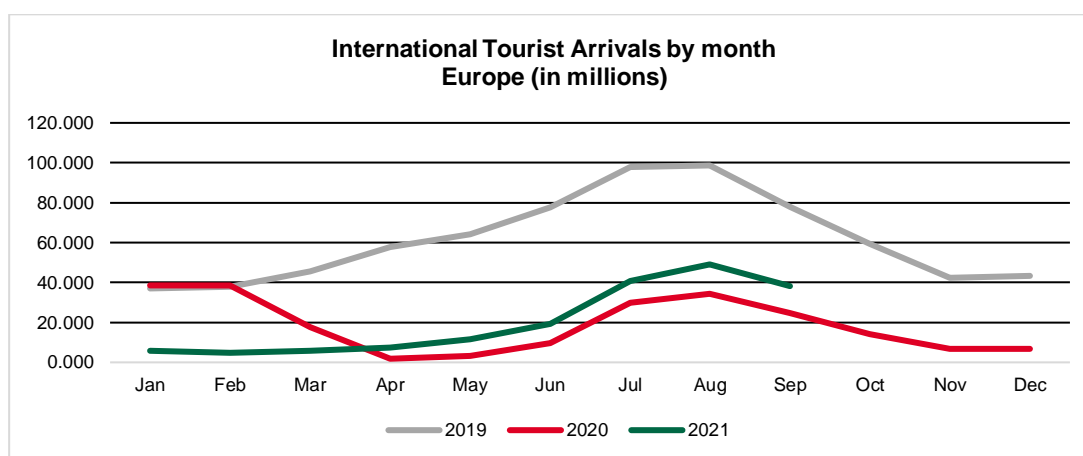
1) International Tourism

Over the past six decades, tourism has experienced continued expansion and diversification to become one of the largest and fastest-growing economic sectors in the world. Tourism has boasted virtually uninterrupted growth over time, despite occasional shocks, demonstrating the sector's strength and resilience.

International tourist arrivals worldwide are expected to increase by 3.3% per year between 2010 and 2030 to reach 1.8 billion by 2030, according to UNWTO's long-term forecast report '*Tourism Towards 2030*'. Between 2010 and 2030, arrivals in emerging destinations (+4.4% a year) are expected to increase at twice the rate of those in advanced economies (+2.2% a year). The market share of emerging economies increased from 30.0% in 1980 to 45.0% in 2016, and is expected to reach 57.0% by 2030, equivalent to over 1 billion international tourist arrivals.

International tourist arrivals (overnight visitors), due to coronavirus pandemic, dropped by -85% in 2020 compared to 2019, reaching around 147 million travelers worldwide, about 1 billion less than 2019.

International arrivals in Europe decreased by -68% in 2020, compared to the 3.9% increase in 2019 and 6.0% in 2018. Southern and Mediterranean Europe saw also negative results in terms of arrivals (-70.4%) and in terms of revenues.



Source: Statista, edited by Pepper Research

The collapse of the major travel group Thomas Cook and of several small European airlines temporarily affected some key tourism destinations, particularly in Europe and the US. Approximately 600,000 travelers around the world, including 150,000 British, were left stranded, 38 countries were affected and more than 8.6 million flight seats will be cancelled from September 2019 until the end of August 2020, according to the inbound flight seats scheduled by Thomas Cook. Greece is among the countries that would be the most affected by the failure of the world's oldest travel firm.

Restrictions on travel introduced in response to the COVID-19 pandemic continue to hit global tourism hard, with the latest data from the World Tourism Organization (UNWTO) showing a 70% fall in international arrivals for the first eight months of 2020. According to the newest UNWTO World Tourism Barometer, international arrivals plunged 81% in July and 79% in August, traditionally the two busiest months of the year and the peak of the Northern

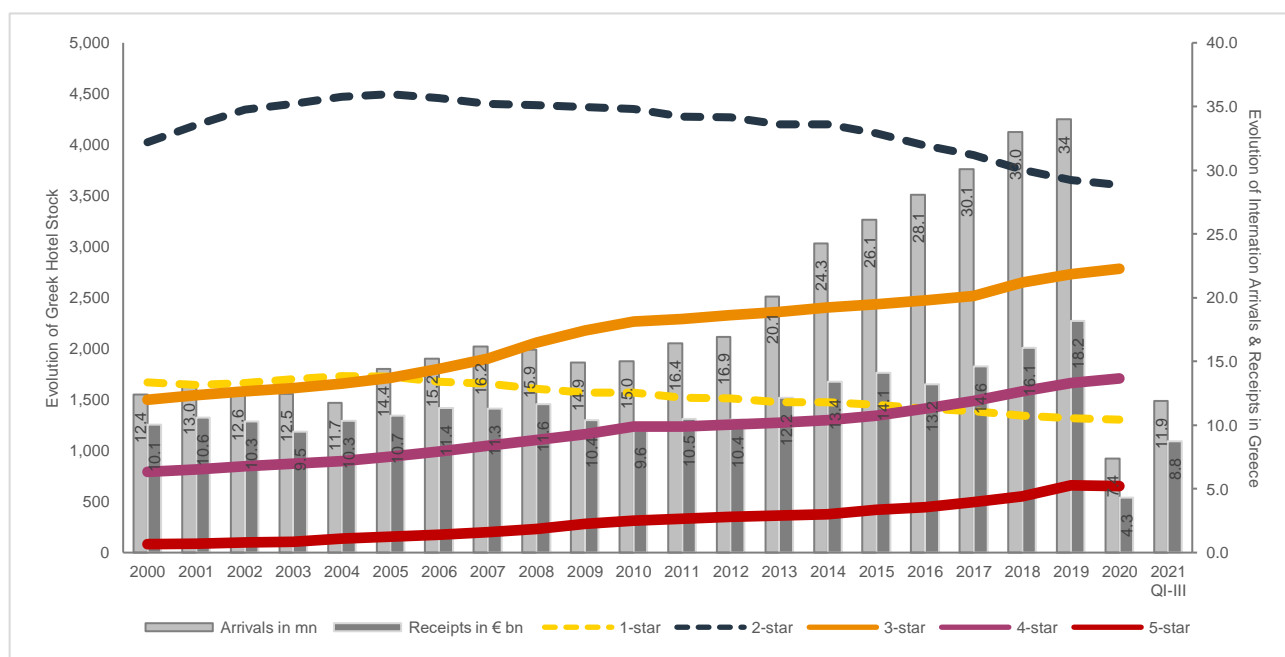
Hemisphere summer season. The drop in 2020 represents 1.05 billion fewer arrivals compared to the same period in 2019 and translates into a loss of US\$ 930 billion in export revenues from international tourism. This is more than ten times the loss experienced on the back of the 2009 global economic and financial crisis.

All world regions recorded large declines in arrivals in 2020. Asia and the Pacific, the first region to suffer from the impact of COVID-19, saw a -84.1% decrease in arrivals, followed by the Middle East (- 74.0%). Africa (-74.0%), Europe (-68.5%) and the Americas (-68.2%) saw a comparatively smaller decrease.

Demand for travel remains largely subdued due to the ongoing uncertainty about the pandemic and low confidence. For the first nine months of 2021 (January-September) international tourist arrivals (overnight visitors) dropped by 69.3% compared to the corresponding period of pre-pandemic year 2019, or 7.9% over 2020 as travel restrictions remained high due to the coronavirus pandemic. This follows the unprecedented drop in 2020, the worst year on record for international tourism. In some sub regions (Southern and Mediterranean Europe, the Caribbean, North and Central America), arrivals actually rose above 2020 levels in the first nine months of 2021. Despite the improvement seen in the third quarter of the year, the pace of recovery remains slow and uneven across world regions. This is due to varying degrees of mobility restrictions, vaccination rates and traveler confidence. While Europe (-53%) and the Americas (-60%) enjoyed a relative improvement during the third quarter of 2021, arrivals in Asia and the Pacific were down 95% compared to 2019 as many destinations remained closed to non-essential travel.

2) Overview of Greek Tourism

The Greek Tourism Industry has been experiencing significant growth since 2013 and is the first sector of the country that entered recovery. Increasing demand has led to the growth of the country's hotel stock. Hotel product in Greece grew from a total of 8,073 hotels in 2000 to 10,052 in 2020. During the period 2000-2020, Greek hotel stock grew by 24.5%, with 3, 4 and 5-star categories leading the way and hence upgrading the country's hotel quality. 5-star hotels increased six times over in stock and has become the category with the highest growth.



Source: Bank of Greece, Hellenic Chamber of Hotels, edited by Pepper Hellas Research

Note: The latest update concerning the Greek Hotel Stock is the June 2021 and refers to data of 2020, according to the Hellenic Chamber of Hotels

Note: The latest update concerning the Greek Hotel Stock is the 9th of May 2019 and refers to data of 2018, according to the Hellenic Chamber of Hotels

The Coronavirus pandemic is having a damaging impact on the hotel industry across Europe. As travel restrictions are influencing travel plans, the impact on the hospitality industry is inevitable. In Greece, the hotels that operate on an annual basis have seen their booking reservations dropping at almost -72.0%, while seasonal hotels at -58.0%. Moreover, conference and event bookings fall at c. -70.0%. For 2020 and 2021, international arrivals and international tourism receipts showed a remarkable decrease compared to 2021.

3) International Arrivals

International arrivals in Greece reached in total at 34.0 million visitors in 2019, a 3.0% increase compared to 2018. During 2019, visitors from the UK, the US, Spain and Austria increased their number of travellers to the Greek territory by 18.9%, 7.4%, 25.3% and 12.0%, respectively, compared to 2018. International arrivals in 2020 were recorded at 7.4mn visitors, with tourism receipts exceeding €4.32bn, showing a decrease of 77% and 76.2% respectively compared to 2019.

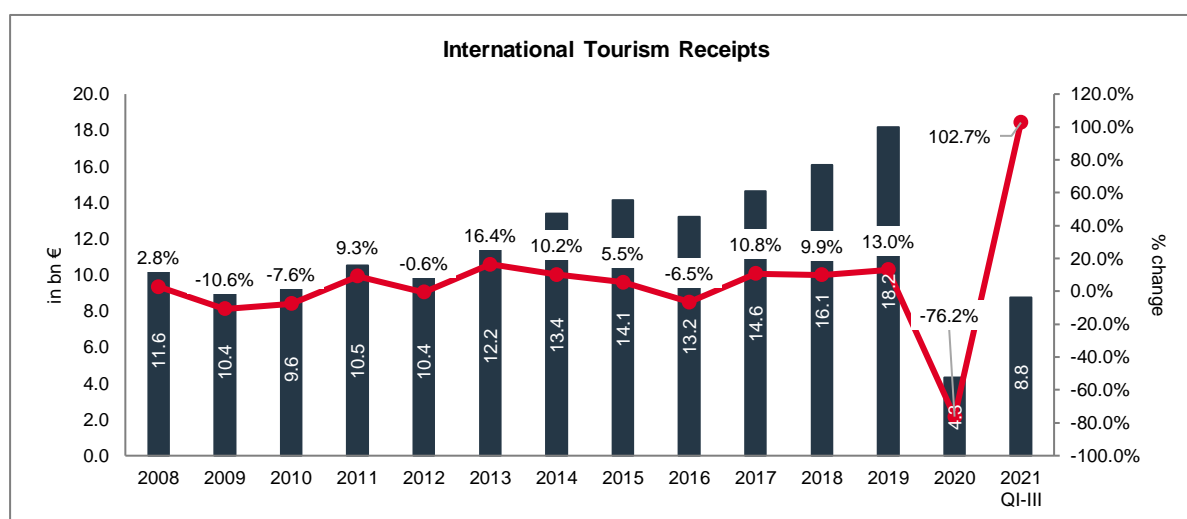
For the first three quarters of 2021, international arrivals reached 11.9 million visitors, showing an increase of 59.5% compared to the corresponding period of 2020. After a weak first half of 2021, international tourist arrivals recorded the best relative performance in the third quarter.



Source: Bank of Greece edited by Pepper Hellas

4) International Tourism Receipts

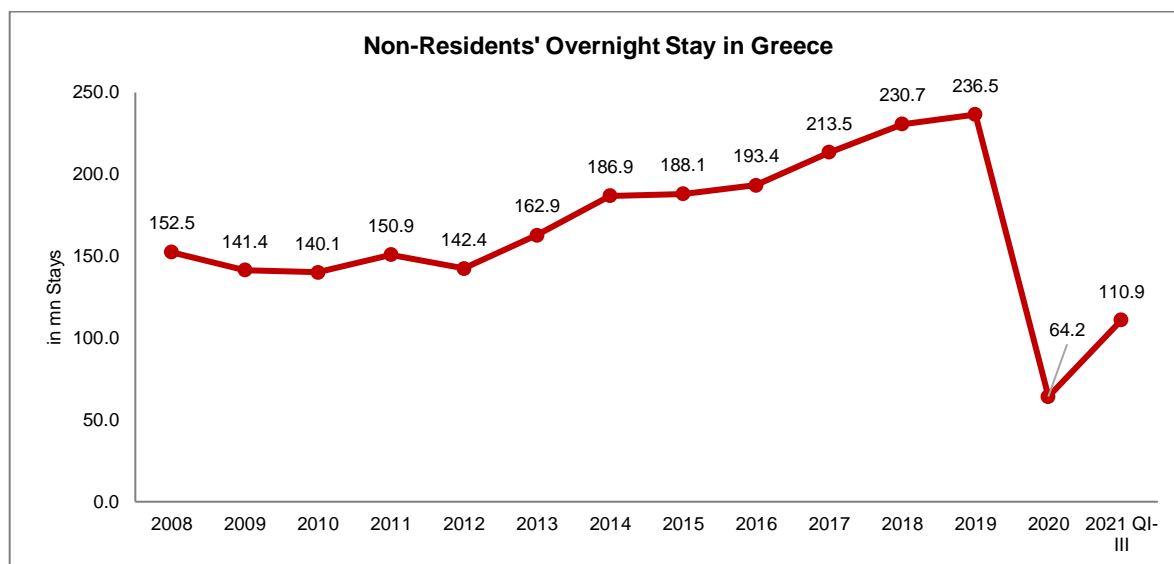
International tourism receipts in Greece decreased by a noticeable 76.2% in 2020 at €4.3bn compared to 2019. For the first three quarters of 2021, tourists receipts were recorded at €7.5 billion showing an increase of 139.1% compared to the corresponding period of 2020.



Source: Bank of Greece, edited by Pepper Hellas

5) Non-Residents' Overnight Stays

In 2019, non-residents' overnight stays in Greece were recorded at 236.5mn, increased by 2.5% compared to 2018. In 2020, due to the coronavirus pandemic, overnight stays were recorded at 64.2 mn, marking a remarkable decrease of -72.9%. For the first three quarters of 2021, total non-residents' overnight stays in Greece increase by 111.2% compared to the corresponding period of 2020.



Source: Bank of Greece edited by Pepper Hellas

6) Key Tourism Indicators

Greek tourism was severely affected by the pandemic COVID 19 and the global economic crisis that started in 2008, since the largest share of visitors to the country are from the European Union.

In 2019, prior to the pandemic, average expenditure per journey rebounded as a result of a competitive pricing policy from tourism businesses at the beginning of the year, the prolongation of the tourist season, and safety concerns for many competing Mediterranean destinations. Contributing factors to the positive changes in expenditure and length of stay in 2019 are also the overall betterment of the economy primarily internationally and secondarily nationally.

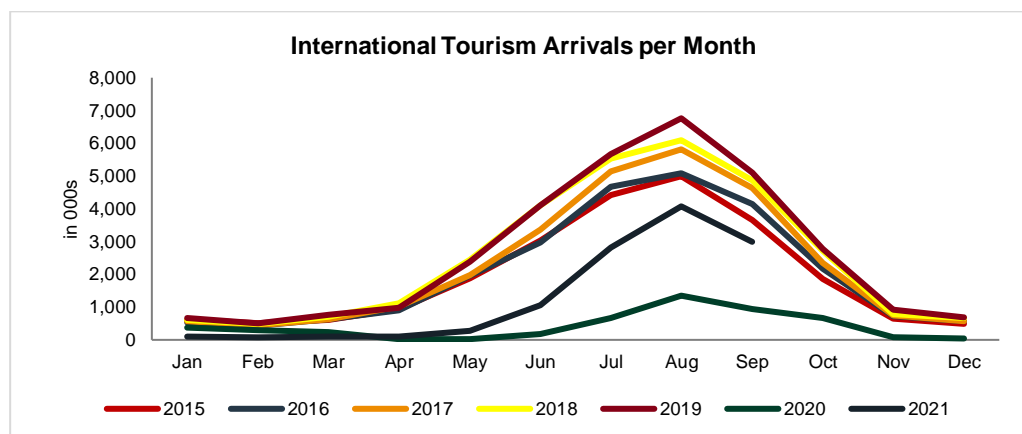
According to the Frontier Survey, conducted by the Bank of Greece every year, in 2020 average expenditure per journey to Greece has increased by 9.10%, to €583.2. For the first three quarters of 2021, average expenditure per journey has increased by 24.9% to €728.2. Average expenditure per overnight stay marked a decrease from €76.9 in 2019 to €67.3 in 2020 and for the first three quarters of 2021 marked an increase to €79.2. Additionally, average duration per stay in Greece faced an increase to 9.3 days. These increases in the first nine months of 2021 were driven by the travelers' confidence, the rapid progress on vaccinations and the easing of entry restrictions, coupled with the shifting of the profile of visitors coming to the country.

Year	Expenditure per Journey	Expenditure per Overnight Stay	Average Duration per Stay (in days)
2008	730,00 €	76,30 €	9,6
2009	697,30 €	73,50 €	9,5
2010	640,40 €	68,60 €	9,3
2011	639,50 €	69,60 €	9,2
2012	616,20 €	73,30 €	8,4
2013	604,20 €	74,60 €	8,1
2014	551,80 €	71,60 €	7,7
2015	540,90 €	75,10 €	7,2
2016	470,50 €	68,28 €	6,9
2017	485,07 €	68,52 €	7,1
2018	486,39 €	69,72 €	7,0
2019	534,60 €	76,85 €	7,0
2020	583,20 €	67,30 €	8,7
2021 QI-QIII	728,20 €	79,15 €	9,3

Source: Bank of Greece, edited by Pepper Hellas

7) Seasonality of Greek Tourism

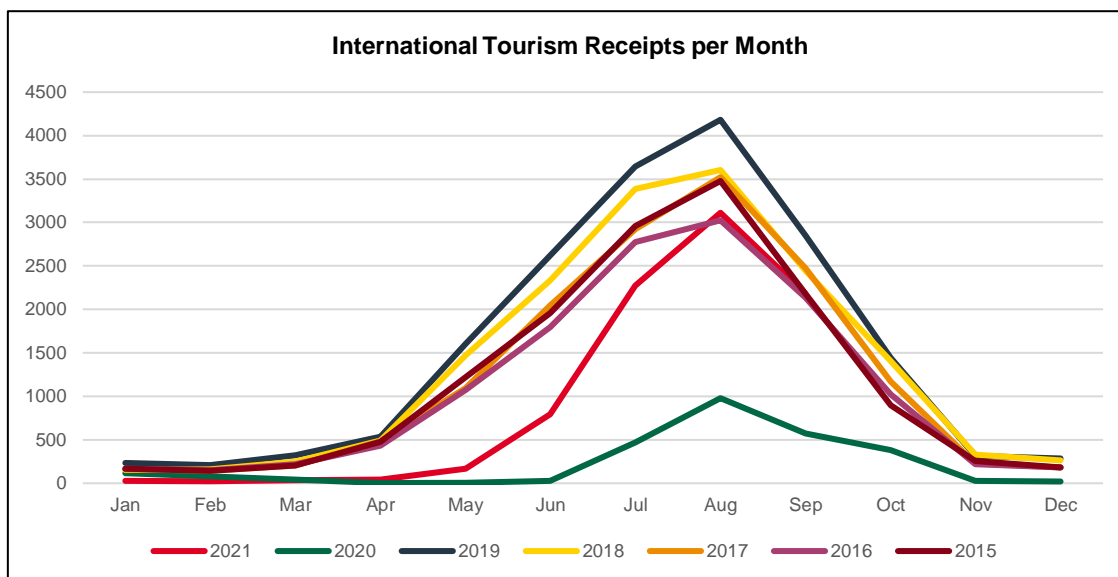
The Greek tourism industry is highly affected by seasonality with the five-month summer period (May to September) in 2021 reached .96.7% of total arrivals (January – September). Seasonality is also reflected in the operation period of the country's hotels.



Source: Bank of Greece, edited by Pepper Hellas

Furthermore, the five-month period realised 98.6% of total travel receipts in 2021, regarding the period January to September, once again highlighting the dominance of the Greek sun & beach product against other touristic products.

The recovery of the tourism industry in 2021 compared to 2020, is reflected for both international tourism arrivals and international tourism receipts, with 137.6% and 217.9% increase respectively, but still below of the pre-pandemic levels.

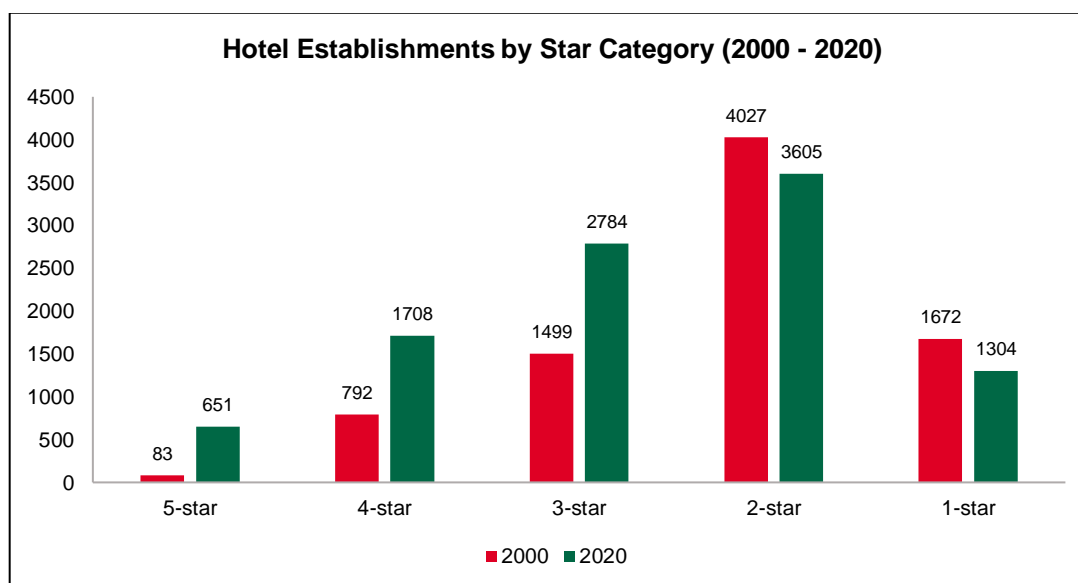


Source: Bank of Greece, edited by Pepper Hellas

8) The Greek Hotel Product

Evolution of Greek hotels

The Greek hotel stock in 2020 amounted to a total of 10,052 hotels, comprising of 438,194 rooms and 869,250 beds. Since 2000, the Greek hotel stock grew by 24.51%, with 3, 4 and 5-star categories leading the way and hence upgrading the country's hotel quality.

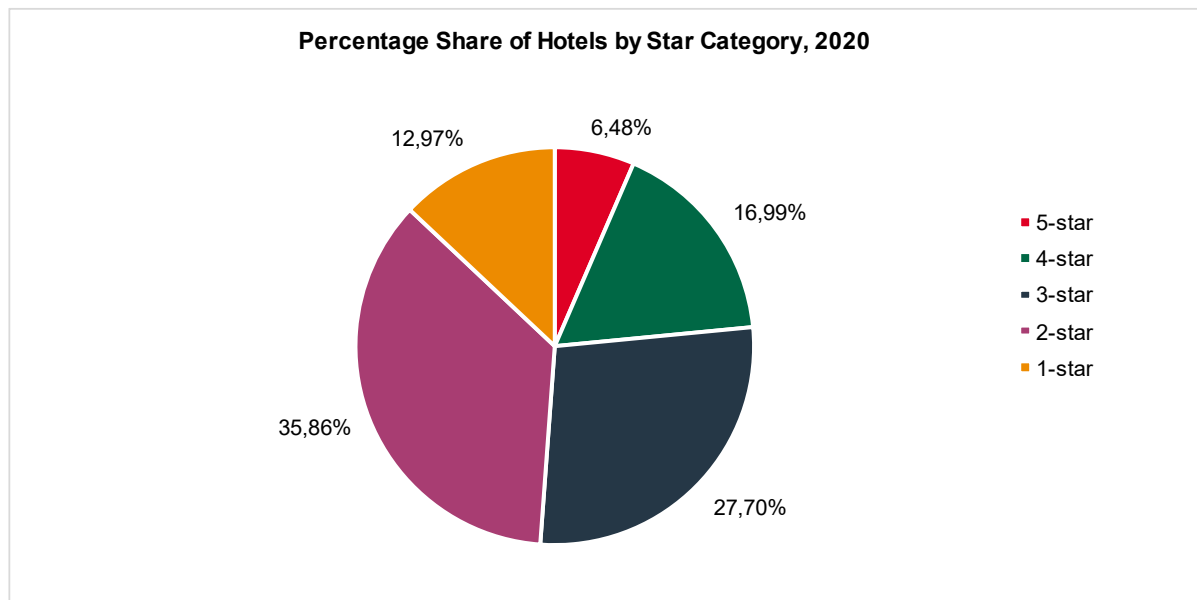


Source: Hellenic Chamber of Hotels, edited by Pepper Hellas

Note: The latest update concerning the Greek Hotel Stock is the 9th of May 2019 and refers to data of 2018, according to the Hellenic Chamber of Hotels.

Breakdown of Hotel Stock

The 5-star hotel category in Greece increased six times over between 2000 and 2020 with a 6.48% market share in 2020 compared to a 6.1% in 2019. In 2020, the top 3-star categories constituted about 51.16% of the total hotel stock (+0.96% from 2019).



Source: Hellenic Chamber of Hotels, edited by Pepper Hellas

Greek Hotel Stock Allocation

The following table presents the allocation of the hotel stock in the prefectures of Greece as of 2021.

Prefecture	Hotels	(% of Stock)	5* Hotels	4* Hotels	Rooms	(% of Stock)	5* Rooms	4* Rooms
East Macedonia & Thrace	385	3,83%	13	32	11.290	2,58%	1.215	2.061
Attica	689	6,85%	38	127	33.749	7,70%	7.387	9.819
North Aegean	387	3,85%	8	35	12.079	2,76%	939	1.844
West Greece	275	2,74%	4	44	9.989	2,28%	1.471	2.626
West Macedonia	125	1,24%	3	16	2.886	0,66%	99	373
Epirus	438	4,36%	14	103	9.129	2,08%	1.198	1.990
Thessaly	552	5,49%	29	116	14.758	3,37%	1.497	3.856
Ionian Islands	989	9,84%	62	157	51.830	11,83%	9.539	13.109
Central Macedonia	1.175	11,69%	55	130	46.400	10,59%	9.445	10.331

Prefecture	Hotels	(% of Stock)	5* Hotels	4* Hotels	Rooms	(% of Stock)	5* Rooms	4* Rooms
Crete	1.634	16,26%	128	330	97.456	22,24%	24.080	32.582
South Aegean	2.195	21,84%	220	394	113.515	25,90%	33.291	35.325
Peloponnese	687	6,83%	29	134	19.831	4,52%	6.099	9.840
Central Greece	521	5,18%	8	47	15.382	3,51%	686	3.033
Total	10.052	100%	611	1.665	438.294	100%	96.946	126.789

Source: Hellenic Chamber of Hotels, edited by Pepper Hellas

9) Turnover Index in Tourism

In 2020, the evolution of the turnover index dropped sharply at -62.70% compared to 2019. The turnover index for accommodation and food services for the first three quarters of 2021 marks a remarkable increase at 71.60%.



Source: Hellenic Statistical Authority, edited by Pepper Hellas

10) Hospitality Industry Outlook

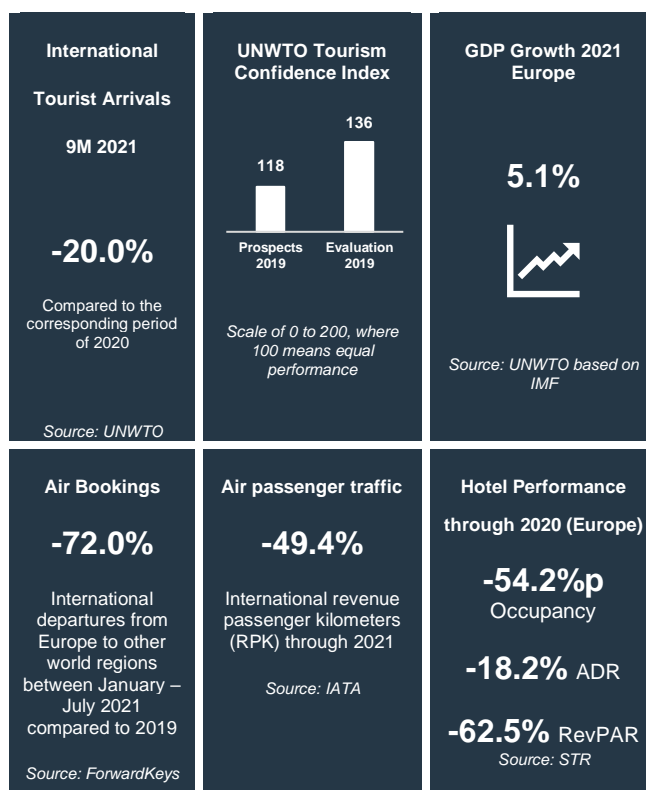
The positive tourism outlook of 2018 continued within 2019. The rebuilding and expanding of Fraport's regional airports, the expanding of Aegean Airlines' network with 8 new routes abroad and a total of 120 destinations in 44 countries, as well as the entry of new low-cost airlines, boost the prospects for tourism. In 2019, according to INSETE, international in flight passengers to Greece were recorded at 21.5mn, a +3.9% increase compared to 2018. In Athens, the number of international in flight visitors increased in 2019 by +12.0% compared to 2018, and reached at 6.4mn travellers. In contrast, 2020, due to the coronavirus spread, international air arrivals to Greece recorded a significant large decrease of -72.5% compared to 2019. International flight visitors 2020 reached the level of 5.9mn compared to 21.5mn the previous year. In 2021, for the first three quarters the international arrivals reached 10.03mn.

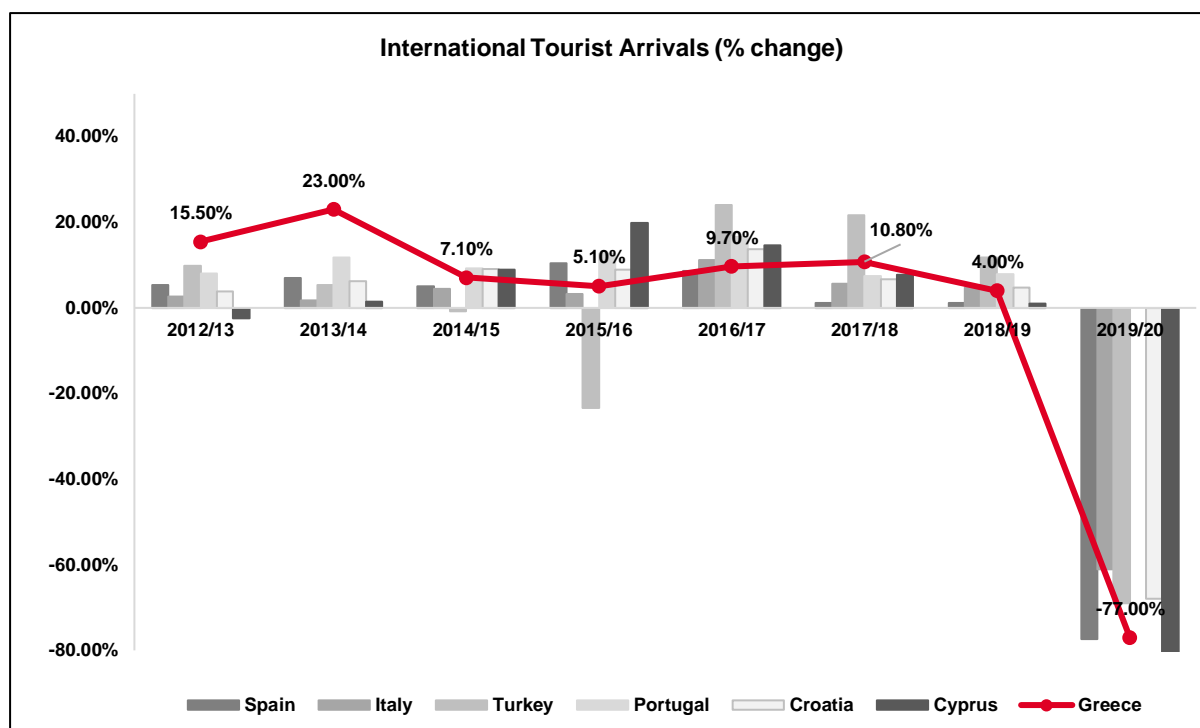
11) Competitiveness of Greek Tourism

World Tourism Organisation

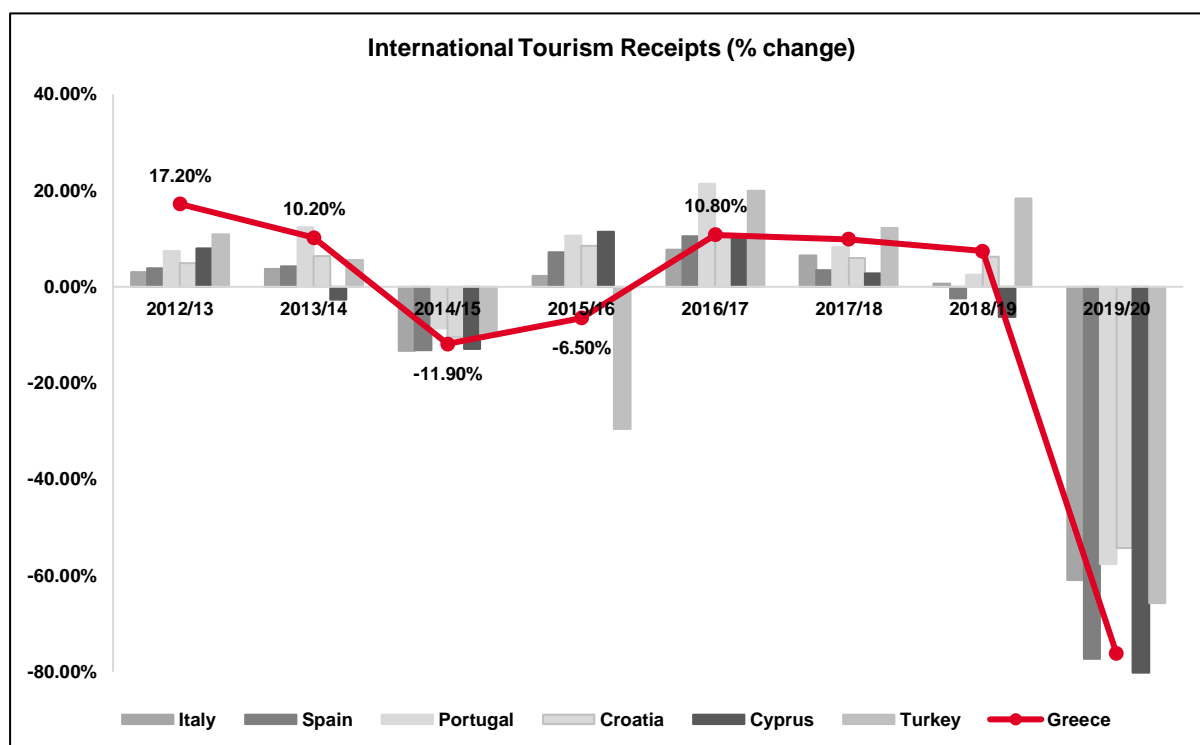
According to the World Tourism Organisation, international tourist arrivals (overnight visitors) worldwide dropped by 73.0% in 2020. International arrivals in Europe (-67.7%) decreased in line with the world average for the same period. During the first nine months of 2021, international arrivals dropped by 76.0% compared to the corresponding period of 2019. Also, for the first nine months of 2021 international arrivals in Europe decreased by 69.0% compared to the corresponding period of 2019. In 2020, demand was slower mainly in advanced economies and particularly in Europe. Uncertainty surrounding Brexit, geopolitical and trade tensions, and the global economic slowdown, weighed on growth. Major shifts occurred within the year in the sector with the collapse of Thomas Cook and of several low-cost airlines in Europe. After a weak first half of 2021, international tourism rebounded during the Northern Hemisphere summer season, boosting results for the third quarter of the year, especially in Europe. International tourist arrivals are expected to remain 70% to 75% below 2019 levels in 2021, a similar decline as in 2020.

In 2020, Southern Mediterranean Europe (-78.4%) showed remarkable negative results due to the pandemic of Covid-19. Virtually all destinations saw negative results in arrivals and most of them recorded strong reductions in terms of receipts. Southern & Mediterranean Europe holds the highest market share (22.1%) of international arrivals in the continent of Europe. Accordingly, Greece holds fourth place as the most visited country of the region. Italy, as the market leader, recorded 25.2mn in 2020 with Spain (19.0mn) and Turkey (15.9mn) trailing in second and third place.





In 2020, international arrivals decreased by 72.9%, and tourist receipts decreased by 64.2%



Note: Due to the different way each organisation calculates yearly results, inconsistency between the outcomes of different organisations exists.

World Economic Forum

According to the Travel and Tourism Competitiveness Report 2019 that is published every two years by the World Economic Forum and measures a destination's tourism attractiveness, Greece ranked 25th (out of 140 countries), with a total score of 4.5 units (overall scores range from 1 to 7, where 1=worst and 7=best), one place lower than in 2017 (24th) and 7 places over than in 2015 (31st). The policies that have contributed in order for Greece to keep its high ranking are:

- Health and Hygiene (13th, score 6.5)
- Prioritisation of Travel & Tourism (13th, score 5.6)
- Air Transport Infrastructure (18th, score 4.8)
- Tourist Service Infrastructure (18th, score 5.8)
- Cultural Resources and Business Travel (21st, score 3.3)
- Natural and Cultural Resources (25th, score 3.4)
- Travel & Tourism Policy and Enabling Conditions (26th, score 4.8)
- Infrastructure (26th, score 4.8)
- International Openness (32nd, score 4.1)
- Environmental Sustainability (37th, score 4.5)

These policies generated more international arrivals in Greece and produced high results in terms of revenues. However, Greece should focus on making its business environment friendlier, and provide a safe and secure environment to visitors. Moreover, to date, tourist business still make little use of new technologies for business-to-business and business-to-customer transactions. The following policies are areas where Greece should focus in order to attract higher revenues and international arrivals:

- Business environment (119th, score 3.9 – 103rd rank in 2017)
- Safety and Security (61st, score 5.6)
- Human Resources and Labour Market (59th, score 4.7)
- ICT Readiness (51st, score 5.2 – same rank as in 2017)
- Price Competitiveness (111th, score 4.9)
- Ground and Port Infrastructure (49th, score 3.8)
- Natural and Cultural Resources (45th, score 3.5 – 32nd rank in 2017)

Travel & Tourism Competitiveness Report - Greece Performance				
	2013	2015	2017	2019
Rank	32/141	31/141	24/136	25/140
Score	4.3	4.4	4.5	4.5

Source: The Travel & Tourism Competitiveness Report 2019, World Economic Forum, edited by Pepper Hellas

World Ranking TTCI Index				
Country	2019	2017	2015	2013
Spain	1	1	1	4
France	2	2	2	7
Germany	3	3	3	2
Italy	8	8	8	26
Portugal	12	14	15	20
Greece	25	24	31	32
Croatia	27	32	33	35
Cyprus	44	52	36	29

Source: The Travel & Tourism Competitiveness Report 2019, World Economic Forum, edited by Pepper Hellas

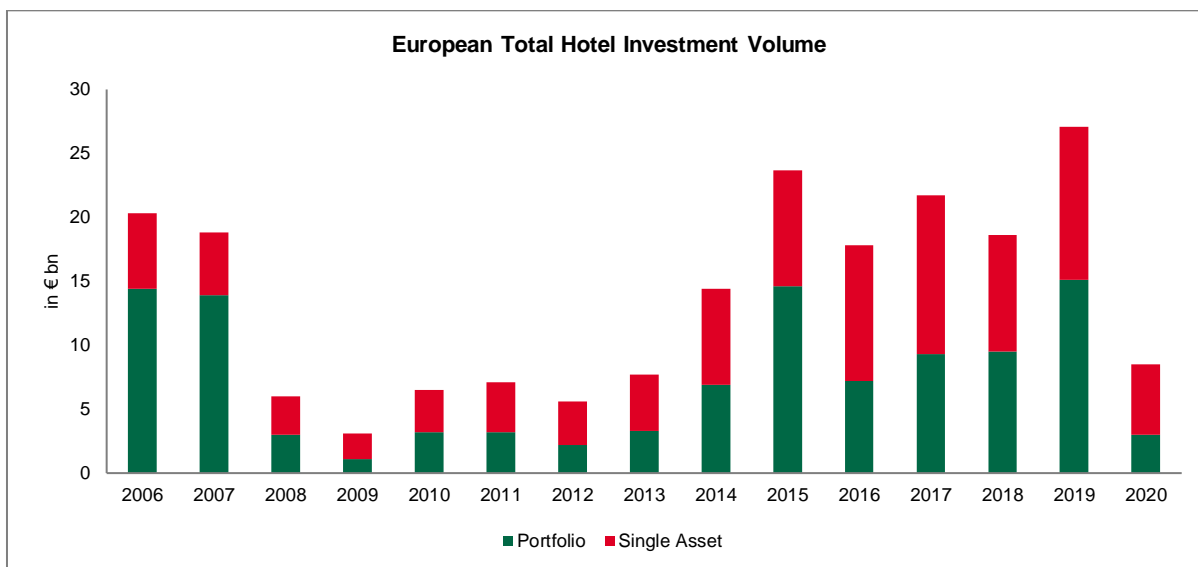
Enabling Environment Pillars, 2019 values (7=best)					
Country	Business Environment	Safety & Security	Health and Hygiene	HR & Labour market	ICT Readiness*
Spain	4.5	6.1	6.2	4.9	5.8
France	4.8	5.7	6.5	5.1	5.9
Germany	5.4	5.8	7.0	5.7	6.0
Italy	4.0	5.5	6.3	4.6	5.5
Portugal	4.7	6.3	6.0	5.1	5.5
Greece	3.9	5.6	6.5	4.7	5.2
Croatia	3.8	5.9	6.3	4.1	5.2
Cyprus	4.9	5.9	5.7	5.1	5.9

Source: The Travel & Tourism Competitiveness Report 2019, World Economic Forum, edited by Pepper Hellas
 *ICT Readiness measures the existence of modern hard infrastructure (mobile network coverage and quality of electronic supply) and the capacity of businesses and individuals to use and provide online services.

12) Hospitality Investment Market

European Hotel Investment

Total European hotel transaction volume, according to HVS/Hodges Ward Elliott, reached €8.5 billion in 2020, decreased by 69% compared to 2019. Single assets continued to attract the highest investment interest with transaction values totalling €5.5bn, constituting approximately 65% of total European hotel transactions, a decrease of 54% y-o-y. portfolio investment.



Source: HVS European Hotel Transactions (2006-2020), edited by Pepper Hellas
 Note: Only transactions that sold for more than €7.5 million are considered in this analysis.

Hotel Investment Activity in Greece

The hospitality investment market in Greece has recently been experiencing increased activity compared to the first years of the economic crisis (2008-2014). Since 2014, the investment market has reached record highs with total transactions amounting to ~€900mn. Trading activity in recent years has seen a number of tender and auction processes commissioned or conducted by the Greek banks, as part of the pressing need to off-load portions of bad debt from their balance sheets. These efforts are now being complemented with the bundling of hospitality loans into greater loan portfolios, within the scope of the overall NPL portfolio sale process that is beginning to take form in line with the guidance given by the ECB on reducing NPLs.

The following table presents an indicative number of **sales transactions** over the last three years:

No.	Address	Name of Hotel	Star Rating	No. of Rooms	Seller / Lessor	Buyer / Lessee	Quarter	Year	Transaction (€)	V per Room - Sale
1	Agios Ioannis, Tinos	Mr & Mrs White	4-star	60	n/a	BriQ Properties A.E.E.A.Π.	Q2	2019	2.960.000,00 €	49.333,33 €
2	52 Panepistimiou street, Athens 10678	TITANIA	4-star	398	n/a	London & Regional (L+R)	n/a	2019	50.000.000,00 €	125.628,14 €
3	Goucia, Corfu 49100	Louis Corcyra Beach	4-star	373	Louis Group	Blackstone	Q3	2019	178.600.000,00 €	121.994,54 €
4	Pelekas, Glyfada Corfu 49100	Louis Grand Hotel	4-star	229	Louis Group	Blackstone	Q3	2019		
5	Laganas, Zakynthos 29092	Louis Zante Beach	3-star	268	Louis Group	Blackstone	Q3	2019		

No.	Address	Name of Hotel	Star Rating	No. of Rooms	Seller / Lessor	Buyer / Lessee	Quarter	Year	Transaction (€)	V per Room - Sale
6	Tragaki, Zakynthos 29100	Plagos Beach	4-star	161	Louis Group	Blackstone	Q3	2019		
7	Maleme, Crete 73100	Louis Creta Princess	4-star	414	Louis Group	Blackstone	Q3	2019		
8	1 Tsimiski street & Katouni street, Thessaloniki	n/a	n/a	n/a	ΑΛΛΕΞΑΝΔΡΟΣ ΔΙΕΘΝΗΣ ΚΑΤΑΣΚΕΥΑΣΤΙΚΗ Α.Ε.	Fattal Hotels L.T.D.	Q4	2019	9.000.000,00 €	n/a
9	1 Komnion, Panorama, Thessaloniki	Ξενοδοχείο Νεφέλη	4-star	70	n/a	Fattal Hotels L.T.D.	Q4	2019	8.000.000,00 €	n/a
10	7 Klisouras street, Thessaloniki	n/a	n/a	n/a	n/a	n/a	Q4	2019	n/a	n/a
11	Stroggili, Agios Ioannis Peristeron, Corfu 49084	Corfu Senses Resort	3-star	84	Alpha Bank	SK Resort Enterprise s Ltd	Q1	2019	4.000.000,00 €	47.619,05 €
12	Kanistro, Paliouri 63085	Miraggio Thermal Spa Resort	5-star	300	n/a	n/a	Q4	2019	100.000.000,00 €	333.333,33 €
13	Ftelia, Skiathos 37002	Galini	3-star	24	n/a	Philian Hotels & Resorts	Q3	2019	n/a	n/a
14	Rhodes	n/a	5-star	n/a	n/a	Fattal Hotels L.T.D.	Q1	2019	30.000.000,00 €	n/a
15	Rhodes	Mistral	5-star	106	n/a	Fattal Hotels L.T.D.	Q2	2019	n/a	n/a
16	Rhodes	Lindian Village	5-star	188	n/a	Fattal Hotels L.T.D.	Q3	2019	n/a	n/a
17	Chiou & Mirinousion Loutraki	Athens Lotus Hotel	4-star	31	n/a	n/a	Q4	2019	1.700.000,00 €	n/a
18	9 Chiou	White Lotus Hotel	4-star	14	n/a	n/a	Q4	2019	630.000,00 €	n/a
19	48-50 Eolou street, Athens	n/a	n/a	30	n/a	Zoia	Q4	2019	n/a	n/a
20	Acharavi, Corfu 49081	Mr & Mrs White Corfu	n/a	38	n/a	BriQ Properties Α.Ε.Ε.Α.Π.	Q4	2019	3.000.000,00 €	78.947,37 €
21	Corfu	Castello Bibelli	n/a		ΤΑΙΠΕΔ	Fais Group & Bluehouse	Q1	2020	4.111.505,00 €	n/a
22	106 A. Papandreou, Amoudara Heraklion	Apollonia Beach Resort & Spa	5-star	336	Cyan Group Hotels / Οικογένεια Κεφαλογιά ννη	Hines	Q1	2020	61.000.000,00 €	n/a
23	Linoperamata, Amoudara Heraklion	Santa Marina Beach Resort	4-star	208	Cyan Group Hotels / Οικογένεια Κεφαλογιά ννη	Hines	Q1	2020		n/a
24	Karamanli avenue, Sitia	Sitia Beach City Resort & Spa	5-star	162	Cyan Group Hotels / Οικογένεια Κεφαλογιά ννη	Hines	Q1	2020		n/a
25	48 Akti Possidonos str., Loutraki 20300	Club Hotel Loutraki	5-star	279	n/a	Corner	Q1	2020	26.000.000,00 €	n/a

No.	Address	Name of Hotel	Star Rating	No. of Rooms	Seller / Lessor	Buyer / Lessee	Quarter	Year	Transaction (€)	V per Room - Sale
26	Foinikia, Santorini 84702	Finikia Residence	n/a	n/a	n/a	Aria Hotels	Q1	2020	n/a	n/a
27	Deliana, Pyrgos, Chania 73100	Asterion Suites & Spa	5-star	116	n/a	Louis Hotels	Q1	2020	n/a	n/a
28	Neos Marmaras, Chalkidiki 63081	Porto Carras Grand Resort	5-star	995	Technical Olympic Resort	Belterra Investments	Q2	2020	205.000.000,00 €	206.030,15 €
29	Kanapitsa, Skiathos 37002	Plaza Hotel	3-star	68	n/a	BriQ Properties A.E.E.A.Π.	Q1	2020	3.500.000,00 €	51.470,59 €
30	Crete	Iti AKS Minoa Palace	4-star	121	AKS Hotel	Cretan Investments Group Hellas	Q4	2020	n/a	n/a
31	Agioi Theodoroi, Peloponnese	XANIKIAN	n/a	n/a	n/a	Brown Hotels	Q4	2020	n/a	n/a
32	Agia Pelagia, Heraklion	Out of the blue Capsis	5-star	490	Kapsis	Hines	Q3	2021	125.000.000,00 €	255.102,04 €
33	Agios Sostis, Mykonos	Mykonos Star	n/a	n/a	n/a	Grecotel	Q3	2021	61.000.000,00 €	n/a
34	Agios Sostis, Mykonos	Mykonos Thea	n/a	n/a	n/a	Grecotel	Q3	2021		
35	Corfu	Nostos	n/a	n/a	n/a	Grecotel	Q3	2021		
36	Corfu	Vassilia	n/a	n/a	n/a	Grecotel	Q3	2021		
37	Corfu	Gelina	n/a	n/a	n/a	Grecotel	Q3	2021		
38	Corfu	Aqua Park	n/a	n/a	n/a	Grecotel	Q3	2021		
39	Crete	Elounda Blu	4-star	n/a	183	Blackstone	Q3	2021	6.000.000,00 €	32.786,89 €

Source: Pepper Hellas Databank

Hotels – New Developments in the Pipeline & Indicative Developments of the last year

Hotels - New Developments in the Pipeline						
No.	Development/ Hotel Name	Address	Opening Year	Hotel Type/ Category	No. of Rooms	Investment Info
1	New Hotel	Vlichada, Santorini	n/a	5* Hotel	n/a	Investor: Metaxa Hospitality Group Operator: Redex Expected Investment: 10 mil euros
2	Belcando Suites	Ekso Gonia, Santorini	n/a	5* Luxury Boutique Hotel	17 suites	Expected Investment 1,746,135.145 euros
3	New Hotel	Tourlos, Santorini	n/a	5* Hotel	25 rooms	Operator: Andronis Miltiadis & Sia Expected Investment 1,061,039.50 euros
4	Blue Iris	Mykonos	n/a	n/a	192 rooms	Expected Investment: 60 mil euros
5	Kykladikon	3-4 Miaouli square & Koutsodonti square	n/a	n/a	n/a	Investors: Κυκλαδικών Ξενοδοχειακές Επιχειρήσεις, Alkon Holdings & Polimichaniki Expected Investment: 3,4 mil. Euros Leased for 49 years 1,2 thousand sqm Leased for €1000 per month Τοκοχρεολυτική δόση: 16.719 ευρώ το μήνα
6	One & Only Kea Island Resort	Kea	n/a	5* Hotel	75 villas	Expected Investment 150 mil euros Investors: Dolphin Capital & Kerzner International Holdings Limited

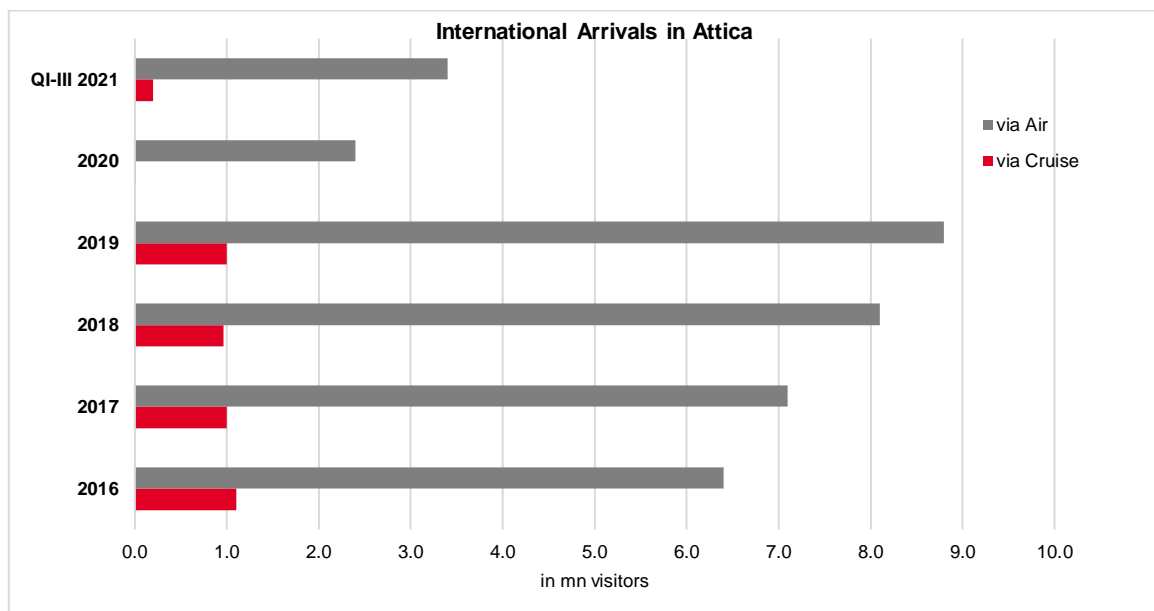
Hotels - New Developments in the Pipeline						
No.	Development/ Hotel Name	Address	Opening Year	Hotel Type/ Category	No. of Rooms	Investment Info
7	n/a	Andrianoula, Santorini	n/a	4* Hotel	85	Total area: 4,199.45 sqm και συνολική δόμηση: 3,733.98 sqm 85 rooms and 199 beds Investor: ΝΕΔΩΝΑΣ ΣΥΜΜΕΤΟΧΩΝ Α.Ε.
8	n/a	Pirgi, Mykonos	n/a	5* Hotel	57	Expected investment: 10,039,583.33 euros. Operator: GrafS S.A.
9	n/a	Koufonisia	n/a	4* Hotel	42	n/a
10	n/a	Paros	n/a	5* Hotel	30	n/a
11	Radisson Blu Zaffron Resort	Kamari, Santorini	2021	n/a	102	n/a
12	Ydor Hotel & Spa	Vourkario, Kea	2021	5* Hotel	n/a	n/a
13	New Hotel	Pirgi, Mykonos	n/a	5* Hotel	57	Expected Investment 40 million euros. Developer: Grafts S.A.
14	New Hotel	Ano Mera, Mykonos	n/a	5* Hotel	258	Expected Investment 40 million euros. Investors Daktilidis S.A. & Zeus
15	New Hotel	Ano Mera, Mykonos	n/a	n/a	192	Expected Investment 60 million euros. Investor AGC
16	New Hotel	Folegandros	n/a	5* Hotel	n/a	Investor: Gadari 2 S.A. το εμβαδό του οικοπέδου όπου θα ανεγερθεί το ξενοδοχείο ανέρχεται σε 14.865 τ.μ., με το εμβαδό κάλυψης του κτιρίου στα 1.546,48 τ.μ. και το εμβαδό δόμησης του κτιρίου στα 1.497,5 τ.μ., ενώ το κτίριο θα είναι μονώροφο
17	New Hotel	Naousa, Paros	n/a	4* Hotel	13	n/a
18	New Hotel	Naousa, Paros	n/a	4* Hotel	10	n/a
19	Dolphin Bay	Galissas, Syros	n/a	4* Hotel	171	Investor: Dolphin Bay
20	New Hotel	Kimolos	n/a	3* Hotel	15	Investor: ΑΡΖΑΝΤΙΕΡΑ ΞΕΝΟΔΟΧΕΙΑΚΗ ΤΟΥΡΙΣΤΙΚΗ ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ
21	New Hotel	Foinikia Oias, Santorini	n/a	3* Hotel	8	Investor: ΚΡΑΝΤΩΡ Α.Ε.
22	New Hotel	Akrotiri, Santorini	2022	5* Hotel	13	Investor: Astarte Suites After the expansion the hotel will consist of 104 rooms and 41 beds in contrast to its current state (13 rooms and 27 beds)

Hotels - New Developments in the Pipeline						
No.	Development/Hotel Name	Address	Opening Year	Hotel Type/Category	No. of Rooms	Investment Info
23	New Hotel	Vourvoulou, Santorini	2022	3* Hotel	4	Investor: Luxurious Private Villas Santorini 4 rooms & 40 beds
24	Destino Pacha Mykonos	Agios Stefanos, Mykonos	2021	5* Hotel	29	n/a
25	Once in Mykonos	Ornos, Mykonos	2021	5* Hotel	50	Investor: Tresor Hospitality
26	Aeonic Suites & Spa	Korfos, Mykonos	2021	5* Hotel	34	n/a
27	Euphoria Suites	Kalo Livadi, Mykonos	2021	5* Hotel	31	n/a

10. Trends of Athens Hotel Market

1) Hotel Demand in Attica

According to Civil Aviation Authority tourist arrivals in Attica for 9M 2021 increased by 38.7% compared to 2020. Therefore, international arrivals increased by 38.5% in contrast to domestic arrivals which decreased by 39.1% compared to the corresponding period of 2020. According to the Greek Ports Association in 2021 port of Piraeus welcomed 272 cruise ships and 202,012 passengers marking an impressive increase compared to 2020.



Source: Civil Aviation Authority, Hellenic Ports Association, edited by Pepper Hellas

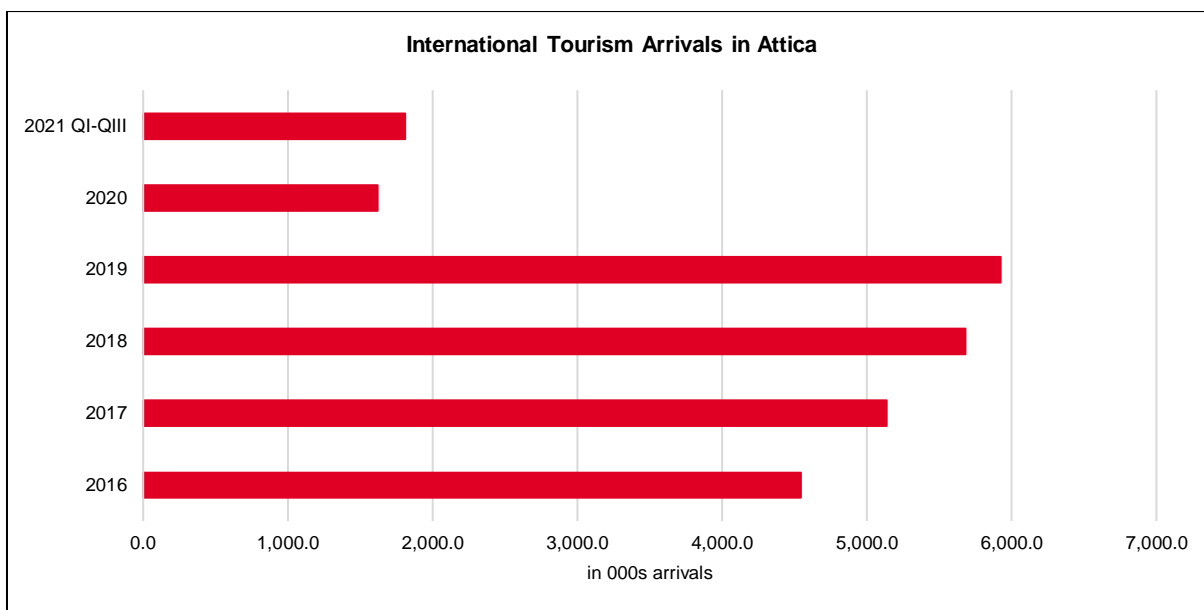
Arrivals - International Airport of Athens			
Year	Domestic arrivals	International arrival	Total
11M 2021	2,145,283	3,441,804	5,587,087
2020	1,542,192	3,485,773	5,027,965
2019	3,979,199	8,827,212	12,805,411
2018	3,961,147	5,727,439	9,688,586
2017	3,742,344	7,135,157	10,877,501
2016	3,630,504	6,398,374	10,028,878
2015	3,268,575	5,793,060	9,061,635

Source: Civil Aviation Authority, edited by Pepper Hellas

Cruise statistics – Piraeus & Lavrio, 2010-2021		
Year	Cruise ships arrivals	Total number of passengers
2010	848	1,162,623
2011	950	1,500,498
2012	782	1,215,386
2013	731	1,316,085
2014	636	1,086,049
2015	676	1,024,964
2016	690	1,137,371
2017	602	1,072,965
2018	524	961,632
2019	622	1,098,091
2020	76	16,640
2021	294	217,747

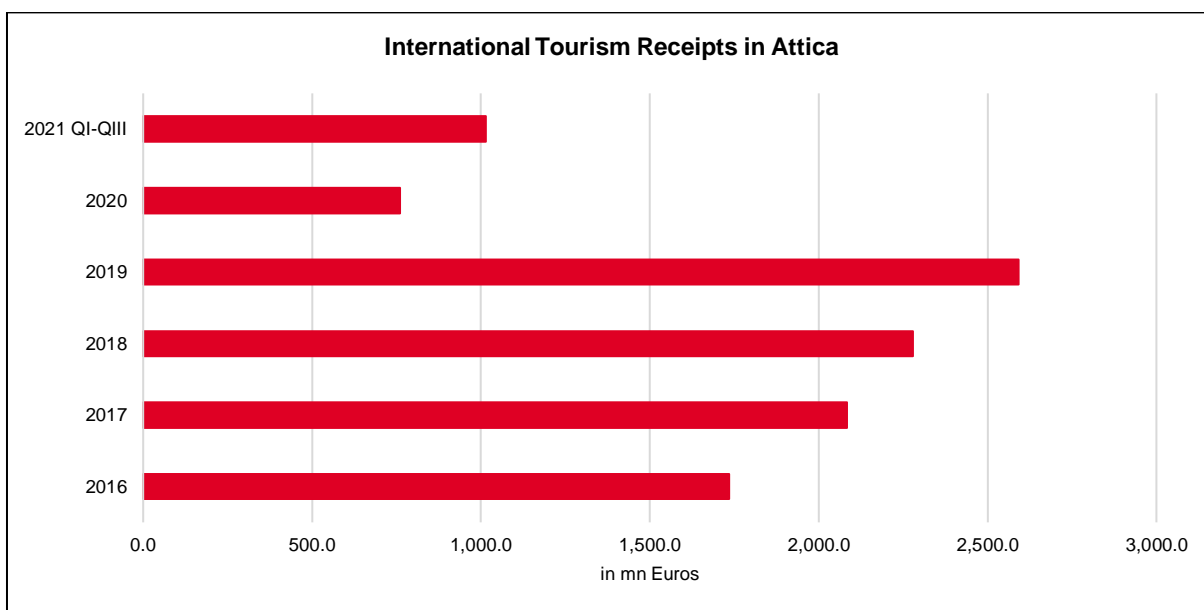
Source: Hellenic Ports Association, edited by Pepper Hellas

According to Bank of Greece, in 9M 2021, 1.8 million tourists visited Attica, marking a substantial increase of 72.6% compared to the corresponding period of 2020.



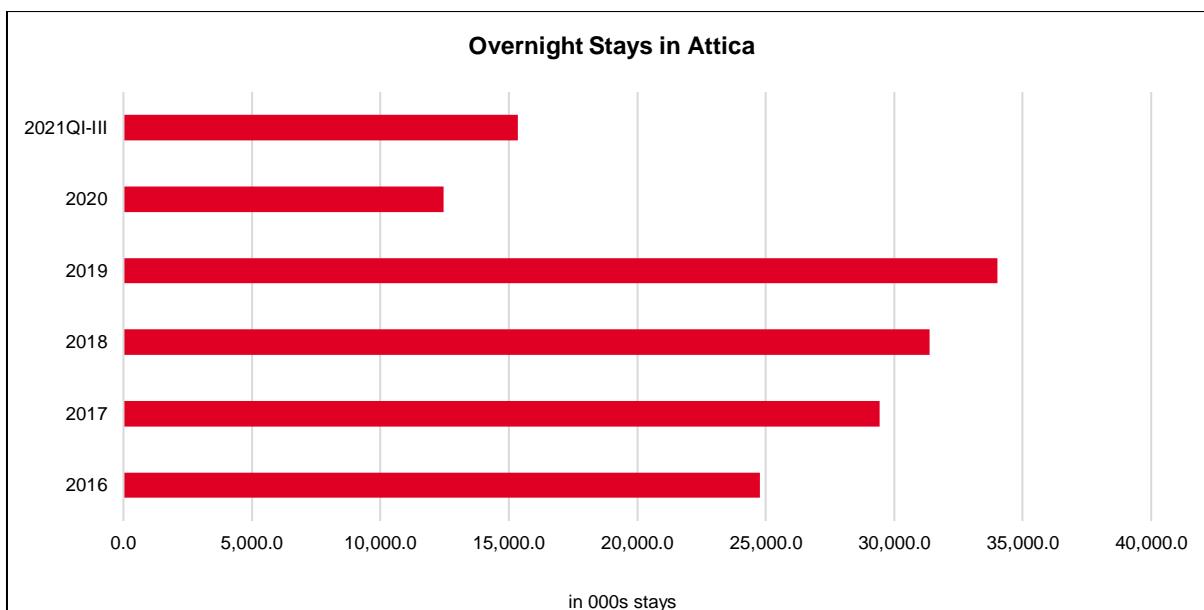
Source Bank of Greece, edited by Pepper Hellas

According to Bank of Greece, in the first three quarters 2021 international tourist receipts exceeded 1.0 million tourists in Attica, recording a significant increase of 61.6% compared to the corresponding period of previous year.



Source Bank of Greece, edited by Pepper Hellas

Over-night stays of non-residents in Attica Region during the first three quarters of 2021 reached 15.3 million, marking an increase of 58.6% compared to the same period of 2020.



Source: Bank of Greece, edited by Pepper Hellas

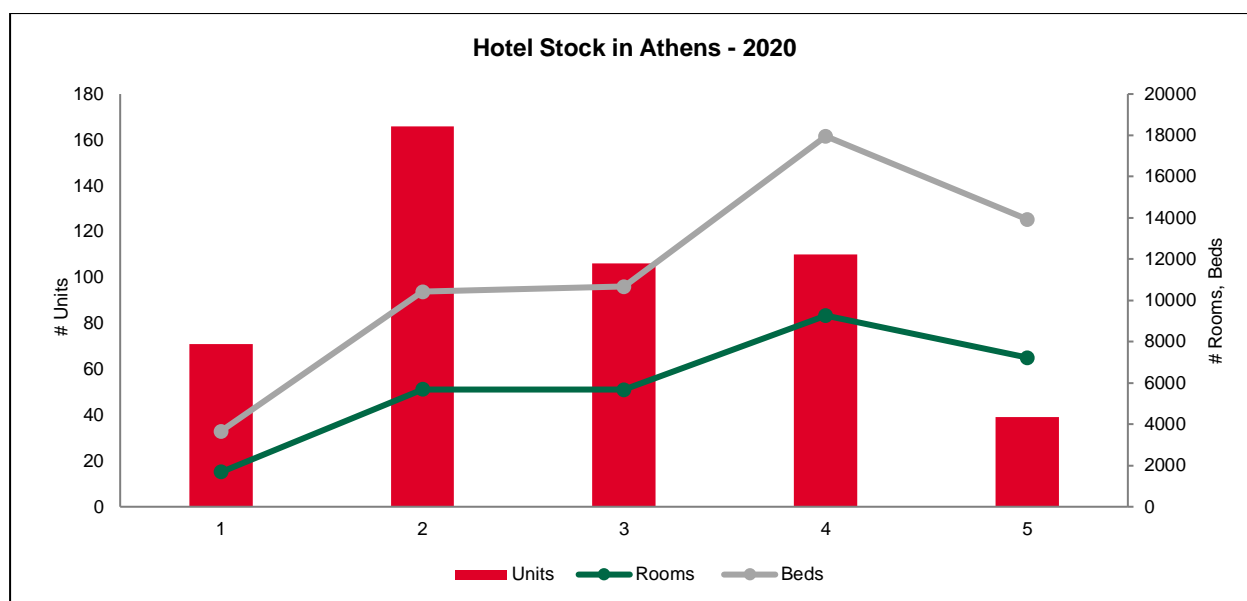
The main tourism indices of Attica are presented in the following table:

Year	Average expenditure per journey	Average expenditure per stay	Average duration per stay (in days)
2021 Q1-III	561.3 €	66.2 €	8.5
2020	469.4 €	61.1 €	7.7
2019	437.6 €	76.2 €	5.7
2018	401.2 €	72.6 €	5.5

Source: Bank of Greece, edited by Pepper Hellas

2) Hotel supply in Attica

Attica's hotel supply (without the islands) totaled 492 hotels of which 39 are 5-stars with a capacity of 7,228 rooms and 13,926 beds. Moreover, 110 hotel units belong to the 4-star category with a capacity of 9,263 rooms and 17,954 beds.



Πηγή: Hellenic Chamber of Hotels, edited by Pepper Hellas

Hotel investment in Athens is robust with many acquisitions, redevelopments, and property leases of real estate in recent years. Between 2017 and 2018, nine new hotels in 3- and 4-star categories opened in Athens, while in 2019, the city experienced many hotel openings. In categories 3-, 4- and 5-star, some of the following hotels opened their doors in 2020, 2021 and some others are going to open in 2022 and the following years:

No.	Company / Investor	Hotel Name	Hotel Type/ Category	Address	Rooms	Beds	Delivery Date	Investment Info
1	n/a	Moxy Hotel Omonoia by Marriott International	3* Hotel	Stadiou 65, Sarogleio Megaron	n/a	n/a	End 2020	3* Hotel
2	n/a	Athens Capital Hotel	5* Hotel	Panepistimiou str & Kriezotou str, Athens	177 rooms & suites	n/a	April 2020	5* Hotel
3	n/a	La Mirage	n/a	Omonoia, Athens	n/a	n/a	Spring 2020	n/a
4	n/a	New Hotel	5* Hotel	Ano Patissia	n/a	n/a	14th February 2020	5* Hotel
5	n/a	Athenian Montaza	3* Hotel	156 Syggrou Av., Athens	41	n/a	February 2020	3* Hotel
6	n/a	King's Palace	5* Hotel	Panepistimiou str. & Kriezotou str., Athens	180	n/a	May 2020	5* Hotel
7	n/a	Kaniggos 21	n/a	Kaniggos str. & Chalkokondyli str., Athens	n/a	n/a	Spring 2020	n/a
8	n/a	Heritage Hill	4* Hotel	61 Syggrou Av., Athens	33 rooms & 3 suites	n/a	February 2020	4* Hotel
9	n/a	Gatsby Athens	5* Hotels	18 Lekka str., Athens	33	n/a	2020	5* Hotels
10	n/a	Lalibay Resort & Spa	5* Hotel	Perdika, Aegina	74	n/a	May 2020	5* Hotel
11	n/a	Boss Boutique Athens	4* Boutique Hotel	Chalkokondyli str. & Sokratous str., Athens	n/a	n/a	Jan 2020	4* Boutique Hotel

No.	Company / Investor	Hotel Name	Hotel Type/ Category	Address	Rooms	Beds	Delivery Date	Investment Info
12	n/a	Green Suites Boutique Hotel	5* Hotel	8 Mak Milan, Ano Patissia	45	n/a	15th March	5* Hotel
13	n/a	Brown Acropol	4* Hotel	1 Panagi Tsaldari str., Omonoia Square, Athens 10552	165	n/a	18 June 2020	4* Hotel
14	n/a	Mira Me Athens	n/a	Ermou str., Athens	n/a	n/a	2021	n/a
15	n/a	Xenodocheio Milos	5-star	3-5 Kolokotroni str. Voulis str., Athens	43	n/a	2021	€7,5 million Euros
16	n/a	Archontiko Almiranti	4-star	2 Voulis str. & 7 Kolokotroni str., Athens	25	n/a	2021	n/a
17	n/a	Project 3 Urban Chic Athens	n/a	Xanthou str., Kolonaki	10	n/a	2021	n/a
18	n/a	The Cohort Athens	4-star	93 Liosion, Athens	100	n/a	2021	n/a
20	n/a	Athens Capital Hotel - Mgallery Collection	n/a	Panepistimiou str. & Kriezotou str., Athens	177	n/a	2022	€25 million Euros
19	Eastmed Capital 44 Mon. SA	New Hotel development	4-star	44 Piraeus, Kolonoy & Aegisilaou str., Athens	150	339	2022	Expected Inv.: €14,9 million Euros
20	Stamatia Zisimopoulou SA	New Hotel development	4-star	116 Syngrou Av., Athens	69	158	2022	Expected Inv.: €5,4 million Euros
21	AELLO M.I.K.E.	Modernization and expansion of Pentelikon	5-star	66 Diligiannis, Kifissia	118	302	2022	Expected Inv.: €14,3 million Euros
22	XLXIS Invest I.K.E.	New Hotel development	3-star	76 Kolonou str. & 14 Odysseos str., Athens	6	24	2022	Expected Inv.: €445 thousand Euros
23	Okupa Athens	New Hotel development	3-star	Athens	32	78	2022	Expected Inv.: €2,08 million Euros
24	Ilida Real Estate Management I.K.E.	New Hotel development	3-star	2 Iras, Sismani & Agiou Nikolaou str., Athens	12	43	2022	Expected Inv.: €826 thousand Euros
25	Eastmed Themistokleous Mon. SA	New Hotel development	3-star	Athens	30	84	2022	Expected Inv.: €1,6 million Euros
26	A.M.P. commercial and industrial SA	New Hotel development	3-star	Athens	16	32	2022	Expected Inv.: €592 thousand Euros
27	Perianth SA	New Hotel development	5-star	Athens	12	31	2022	Expected Inv.: €1,4 million Euros
28	Doukas City Hotel	New Hotel development	3-star	Koukaki	9	18	2022	Expected Inv.: €346 thousand Euros
29	Blueprint Μονοπρώσστη I.K.E.	New Hotel development	4-star	Athens	30	60	2022	Expected Inv.: €2,16 million Euros
30	Brown Hotels	Redevelopment of House Sans Rival	n/a	11 Liosion str. & Kon. Palaiologou str., Athens	42	n/a	2022	n/a
31	Brown Hotels	New Hotel development	4-star	18 Lykourgou str. & 34 Sokratous str., Athens	219	n/a	2022	Expected Inv.: €10 million Euros

No.	Company / Investor	Hotel Name	Hotel Type/ Category	Address	Rooms	Beds	Delivery Date	Investment Info
32	Ficus & Brown Hotels	New Hotel development - Brown Spices	n/a	82 Evripidou str., Athens	63	100	2022	Expected Inv.: €2,8 million Euros
33	Ficus & Brown Hotels	New Hotel development	3-star	84 Evripidou str., Athens	41	100	2022	Expected Inv.: €1,64 million Euros
34	Brown Hotels	New Hotel development - Theodor House	n/a	11 Themistokleous str., Athens	43	n/a	2022	n/a
35	Brown Hotels	New Hotel development	4-star	Pounta-Zeza, Lavrio	179	n/a	2022	n/a
36	Grivalia SA	New Hotel development - Asteria	5-star	Glyfada	141	n/a	2022	Expected Inv.: €60 million Euros
37	GEK TERNA	New Hotel development - Inspire Athens	n/a	n/a	n/a	3500	n/a	Expected Inv.: €1 billion Euros
38	n/a	Redevelopment of Hilton	n/a	n/a	365	n/a	n/a	Expected Inv.: €50 million Euros
39	n/a	Moxy	n/a	65 Stadiou str., Athens	200	n/a	n/a	Expected Inv.: €20 million Euros
40	Fattal	NYX Athens by Leonardo, ex. Esperia	n/a	n/a	n/a	n/a	n/a	n/a
41	Douzoglou Group	New Hotel development	5-star	14 Stadiou str., 14 Anthimoy Gazi & Christou Lada, Athens	911	240	n/a	Expected Inv.: €14,3 million Euros
42	n/a	New Hotel development	n/a	28 Agiou Pavlou str., Metaxourgio	n/a	100	n/a	n/a
43	Makaru EΠE	New Hotel development	4-star	22-26 Salaminos str., Maroussi	15	33	n/a	Expected Inv.: €1,2 million Euros
44	Kretemporiki SA	New Hotel development	3-star	Athens	20	43	n/a	Expected Inv.: €1,03 million Euros
45	Cosma M.I.K.E.	New Hotel development	4-star	Piraeus	20	46	n/a	Expected Inv.: €3,07 million Euros
46	Anda Hotels	Redevelopment - Anda Hotel Athens	n/a	Voukourestiou str., Athens	24	n/a	2022	n/a
47	G4 BZPW	New Hotel development	n/a	Psiri, Athens	124	n/a	2022	n/a

Source: Pepper Hellas

A few of the major developments the Athenian market is seeing includes the operation agreement of Four Seasons with Astir Palace, Marriott's agreement with Chandris Hotels now Athens Marriott Hotel and Hyatt's agreement for the operation of Athens Ledra Hotel after its acquisition by Hines. Furthermore, Lampsa S.A. secured the long-term lease of the ex. King Palace on Panepistimiou str and also proceeded to the acquisition of the 102 rooms 5-star King George next to its freehold landmark hotel Grande Bretagne. Additionally, a number of hotel units are soon expected to enter the market, including Grivalia's Hospitality project One and Only Aesthesis in Glyfada and several hotel establishments of Brown's Hotel in the city center.

11. Fair Value

According to the above calculations, the Fair Value of the leasehold interest of hotel redevelopment located at 65 Stadiou street, 1st Municipal District of Athens, Municipality of Athens, as of 31/12/2021, is €22,670,000.00 (Twenty-two million, Six hundred and Seventy thousand Euros).

The Fair Value of the leasehold interest of the proposed city hotel upon completion of its construction provided all the above assumptions and variables remain the same, is 26,260,000.00 (Twenty-six million, Two hundred and Sixty thousand Euros).

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

Commercial building at Omonia square, 65 Stadiou street, 1st Municipal District of Athens, Municipality of Athens, Regional Unit of Central Athens, Region of Attica.

