

SHORT REPORT

FAIR VALUE ASSESSMENT AS OF 31.12.2021

OF A WAREHOUSE BUILDING IN PAIANIA, ATTICA

Prot. No.: PEF-973

To:

IQ KARELA

8th of April 2022



Copyright

Copyright © 2022 PEPPER HELLAS ASSET MANAGEMENT SA (subsidiary of Pepper Group)

All rights reserved.

No part of this publication may be translated, reprinted or reproduced or utilized in any form either in whole or in part or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without the prior written permission of the author.

(Law 2121/1993 re intellectual property)

Printed in Greece.



In accordance with PEPPER HELLAS ASSET MANAGEMENT S.A. (subsidiary of Pepper Group) standard practice we state that the report is for the use of the party to whom it is addressed and the purpose for which it has been conducted. Written permission must be requested for the use, reproduction or publishing of the whole or any part of the report. The report can be used without granted permission only from involved parties.

PEPPER HELLAS ASSET MANAGEMENT S.A. does not accept any responsibility to any third party for non-approved use of the report.

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. Supplementary information may affect the derived values.

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

PEPPER HELLAS ASSET MANAGEMENT S.A did not undertake any audit procedures for the instructor of this report in terms of the information provided, since it was neither part of its instruction nor the purpose of this valuation report. Thus, this report does not form in any part an auditor's certificate of the information provided. PEPPER HELLAS ASSET MANAGEMENT S.A bears no responsibility in the accuracy and completeness of the information provided, which were used in this report.

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 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 ASSET MANAGEMENT S.A. 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 11

 1) Land Description 11

 2) Planning Status..... 12

 3) Building Description 12

 4) Technical Specifications..... 13

 5) Building Status..... 13

 6) Buildable Area/ Remaining Building & Coverage Coefficient 14

5. Legal & Ownership Status..... 14

6. Valuation Methodology..... 14

7. SWOT Analysis..... 16

8. Market Analysis 16

 1) Comparable Evidence 16

 2) Real Estate Market..... 20

9. Proposed Development..... 21

10. Fair Value 21

Publication..... 22

Appendix 1 Bases of Valuation

Appendix 2 Photos

Executive Summary

Instructor:

IQ KARELA

Valuer:

Pepper Hellas Asset Management AE

Subject of Valuation:

Warehouse building with office areas of total area 4,473.75sqm on land plot of total area 22,956.76sqm

Property' s Address:

Area "Pousi – Ledi", Industrial Park (VIOPA) of Paiania, regional road of Paianias – Markopoulo, Municipality of Paiania, Regional Unit of Eastern Attica, Region of Attica

General photo of subject property:



Purpose of Valuation:

The Valuation will be prepared for IFRS purposes.

Basis of Valuation:

The basis of valuation is the Fair Value according 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:

The premise of value is the highest & best use according to IVS 104, par. 150.

Currency:

EUR (€)

Critical Date of Valuation:

31/12/2021

Date of Report:

8/4/2022

Fair Value: (as is today)	9,020,000.00 € (Nine million twenty thousand euros)
Gross Development Value:	€50,000,000.00 (Fifty million Euros). <u>According to provided Business Plan</u>
Return for Risk and Profit % of Gross Development Value or Target IRR (%)	12,85%

We note that the highest and best use scenario complies with the Instructor's Business Plan and parameters. Moreover, we take into account the Preliminary Lease Agreement that we were provided and accept the clauses included as fair. In case, the Business Plan changes, we preserve the right to change our valuation.

1. Instruction

Further to your instruction with Prot. No. SAO-1422 dated the 12/11/2021 we have proceeded to the determination of the Market Value of a warehouse building of total area 4,475.45sqm, located in the Industrial Park (VIOPA) of Paiania, in the area of Pousi – Ledi, at the regional road of Paiania – Markopoulo, in the Municipality of Paiania, Regional Unit of Eastern Attica, 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 will be 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 S.A. 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 Market Value of a warehouse building of total area 4,475.45sq.m., located in the Industrial Park (VIOPA) of Paiania, in the area of Pousi – Ledi, at the regional road of Paiania – Markopoulo, in the Municipality of Paiania, Regional Unit of Eastern Attica, Region of Attica.

Date of Inspection: 6/12/2021

Data provided:

- Title deed (preliminary sale agreement) no. 13051/19-5-2021 drafted by the notary of Athens Efrosini Simopoulou.
- Blueprints of the basement, ground, mezzanine and first floor, signed by the Civil Engineer Ioannis Giagou, dated January 2021, scaled at 1:10.
- Topographical diagram, signed by the Civil Engineer Ioannis Giagou, dated November 2020, scaled at 1:500.
- Presentation of the future development drafted by Kokkinou & Kourkoulas Architects & Associates.
- Technical report drafted by the Civil Engineer Ioannis Giagou, dated January 2021.
- Declaration of affiliation to law 4495 with no. 12095256.
- Business Plan dated 25/11/2021
- Preliminary Lease Agreement as of 26/11/2021

3. Location

Address:

The property in question is located in the Industrial Park (VIOPA) of Paiania, in the area of Pousi – Ledi, at the regional road of Paiania – Markopoulo, in the Municipality of Paiania, Regional Unit of Eastern Attica, Region of Attica.

Warehouse Building in good location

Direct access to main highways and Public Means of Transport

Proximity to the airport

GIS Coordinates:

Latitude: 37.931665

Longitude: 23.883906 (*according to Google maps*)

Location:

Municipality of Paiania:

The Municipality of Paiania belongs to the Regional Unit of Eastern Attica and includes the pre-existing Municipalities of Paiania and Glyka Nera, as well as the settlements of Paiania, Glyka Nera and Argitheia. It has a population of c.26,000 inhabitants (2011 Census) and occupies an area of 47.14km². The Municipality borders to the northeast with the Municipalities of Spata - Artemida and Pallini, to the southeast with the Municipality of Markopoulo - Mesogaia, to the southwest with the Municipality of Kropia and to the west with the Municipalities of Kaisariani, Zografou, Papagou - Cholargos and Agia Paraskevi. Peania is located at the eastern slopes of Mount Hymettus, at a distance of about 20km east of the city of Athens and about 14km west of the Athens International Airport "Eleftherios Venizelos".

Subject area:

The subject property is located within the boundaries of the Industrial Park (VIOPA) of Paiania (Government Gazette 199D / 2003). The wider area is characterized by buildings of industrial - craft uses as well as several land plots. Furthermore, a few office uses are observed along the main road.

Regional road Paianias - Markopoulou:

The Regional road of Paiania – Markopoulo is a central two-way road reaching to Lavriou Avenue near Paiania on one end and to Markopoulo on the other end. The length of the avenue is approximately 8km. Alongside the road industrial uses and vacant land plots are observed.

Ikarou Street:

Ikarou street is a two-way street that connects the regional road Paiania – Markopoulo with Agiou Louka str. The length of the street is approximately 360m. At the one side there is a scrap yard, while on the other side there is the Green Office complex of Cosmote.

Accessibility:

By car: The subject property is accessed by the regional road Paiania – Markopoulou, Ikarou str. and the National Highway E94 (Attiki Odos).

Public means of transport:

- Regional Railway: The property is served by the regional railway “Koropi”, at approximately 3km southeast of the property.
- Public Buses: The area is served by the bus line 307, the nearest stop is situated very close to the subject property.

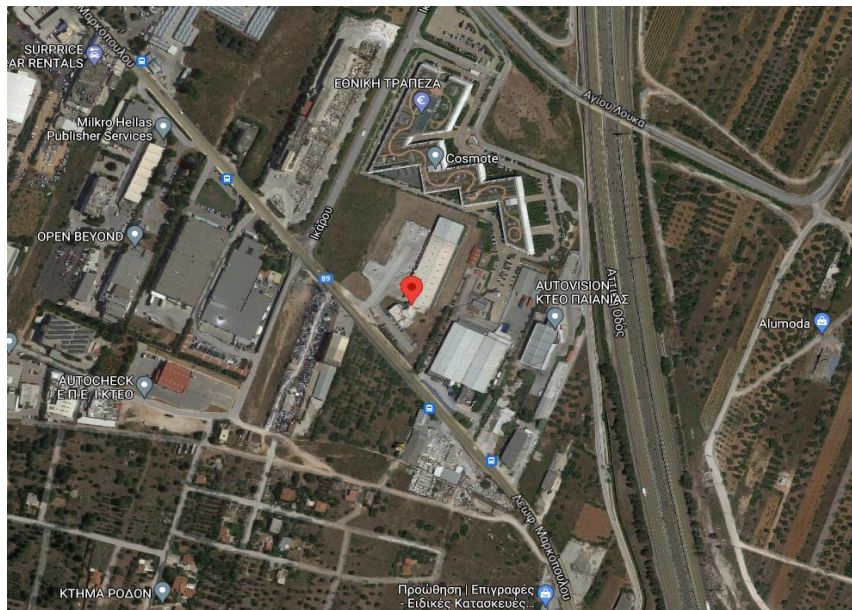
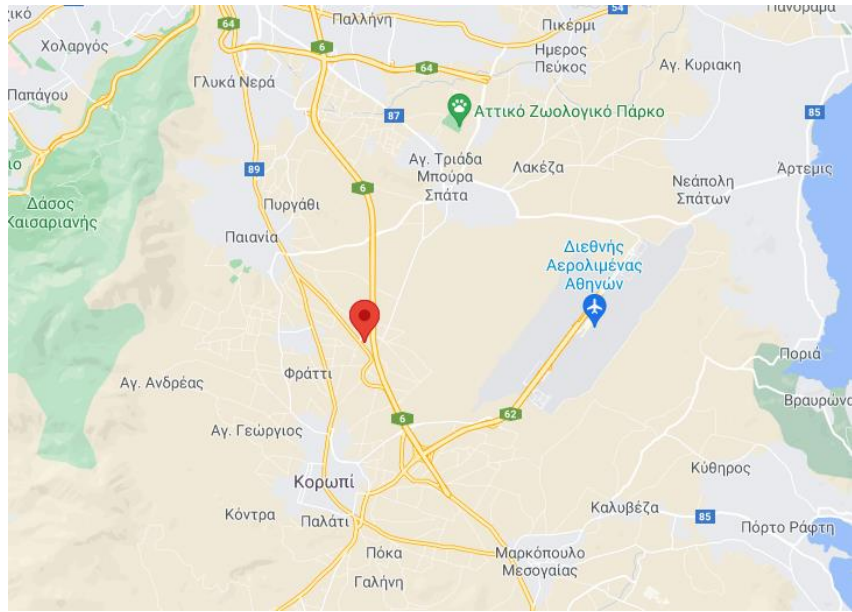
Surrounding area:

In the surrounding area, the majority of the buildings are industrial and warehouses. Few office uses are concentrated mainly on the main street.

Indicative occupiers in the area:

- Cosmote Office Complex
- Intracom Telecom
- Intracom Defense
- Intrasoft
- Intrakat
- Open Beyond
- Autovision KTEO
- Kaukas
- Theon Sensors

Indicative maps of the subject area:



4. Property Description

1) Land Description

Area (m²) of land plot:

- **23,019.11sqm** according to the Topographic plan signed by the Civil Engineer Ioannis Giagou, dated November 2020, scaled at 1:500.
- **22,956.76sqm** according to the provided Business Plan by the Instructor.

For the purposes of this report, we accept the area indicated at the Business Plan.

Land plot of large size
Irregular shape
Typical view
Two frontages

Shape & Dimensions:

- Irregular shape
- It borders according to the Topographic plan:
 - North:* with Cosmote's office complex of total length c.155m.
 - East:* with Atlanta's property of total length c.181m.
 - South:* with the regional road Paiania – Markopoulo on a frontage of total length c.185m.
 - West:* with Ikarou str. on a frontage of total length c.89m.

Orientation:

- Southern towards the regional road of Paiania – Markopoulo
- Western towards Ikarou str.

Gradient & Soil type:

- Slight gradient, almost horizontal

Fencing:

Mettalic railing

Infrastructure:

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

Public Utilities:

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

2) Planning Status

According to the data provided, the land plot lies outside the planning zone of the Municipality of Paiania, and is subject to the below building regulations:

Land plot intact, buildable and integral
Inside the town plan

Presidential Decree

Government Gazette 303/Δ/1987, 118/A/2018, 199/Δ/2003 Zone M Industrial

Land plot requirements – Buildability – Constructability

General Rule: Min Size of Plot = 20,000.00m²

Building Coefficient: 0,90
Coverage Ratio: 30%
Max Height: 11m
Permitted Uses: Government Gazette FEK 199/Δ/2003, Zone M Industrial.

3) Building Description

The subject property has been erected according to building permits with No. 751/1998, 1112/2000 & 1083/2007 as a warehouse building with offices and has a total area 4,473.75sqm.

Warehouse building with offices
Good construction
In good condition
Years of construction 1998, 2000 & 2007

The levels, areas and current uses as shown in the blueprints, are presented in the following table:

Building	Level	Use	Area (m ²)
Existing Buildings	Ground Floor	Offices	540,05
	1st Floor	Offices	293,80
	Basement	Ancillary	293,80
	Ground Floor	Warehouse	3.346,10
Total			4.473,75

Level	Description
Basement -1	According to the inspection, the basement comprises ancillary space and E/M areas. It has a total area of 293.80m ² .
Ground floor:	According to the inspection, the ground floor comprises a warehouse and office areas. The warehouse use has a total area of 3,346.10m ² while the office use has a total area of 540.05m ² .

Level	Description
1st floor:	According to the inspection, the first floor comprises offices. It has a total area of 293.80m ² .

4) Technical Specifications

Frame:	Reinforced concrete and metallic frame
Roof:	Flat concrete roof
Height:	<ul style="list-style-type: none"> ▪ The basement ground and first floor of office use have total height of around 3m. ▪ The ground floor of warehouse use has a total height of around 9m.
Walls & Partitions:	<ul style="list-style-type: none"> ▪ External walls: Concrete & Aluminium panels
Plastering & Painting:	<ul style="list-style-type: none"> ▪ The external walls are covered with acrylic cement paint.
Windows/ Shutters:	<ul style="list-style-type: none"> ▪ Windows are double glassed in an aluminum frame.
Level of Maintenance:	The building is well maintained.
General:	<ul style="list-style-type: none"> ▪ All levels of the building communicate via one stairwell. ▪ The surrounding area has 51 parking spaces. ▪ AC split units in all areas

Positive:	<ul style="list-style-type: none"> – Grade B warehouse building – Well maintained – Sufficient parking spaces – Good construction quality
Negative:	<ul style="list-style-type: none"> – Two loading ramps

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

5) Building Status

- ⇒ According to the macroscopic inspection that was conducted during our visit to the premises, based upon the data provided, we conclude that there are not areas of the building that were built in exceedance or changing the permissible land use, of the existing building regulations and restrictions.
- ⇒ In any case, the current report determines values for the existing uses and does not substitute the necessary engineer's certificate, according to paragraph 1, article 83, of the Law no. 4495/2017.

6) Buildable Area/ Remaining Building & Coverage Coefficient

The total area that is included in the Building Coefficient is 4,473.75m². The total permitted area is $0.9 * 22,956.76 = 20,661.08\text{m}^2$. Therefore, there is a remaining BC of 16,187.33m².

The total area that is included in the Coverage Coefficient is 3,753.65m². The total permitted area is $30\% * 22,956.76 = 6,887.03\text{m}^2$. Therefore, there is a remaining coverage of 3,133.38m².

According to the Business Plan provided and the Preliminary Lease Agreement the Instructor is going to retain the existing buildings and redevelop them into a Grade A Production Property with office areas. Moreover, a new office building is planned to be developed in the remaining land area comprising total above ground area 9,400.13sqm and basements 6,266.76sqm. Therefore, the remaining Building Coefficient is: $16,187.33\text{sqm} - 9,400.13\text{sqm} = 6,787.20\text{sqm}$, which is equal to **7,541.33sqm** of land.

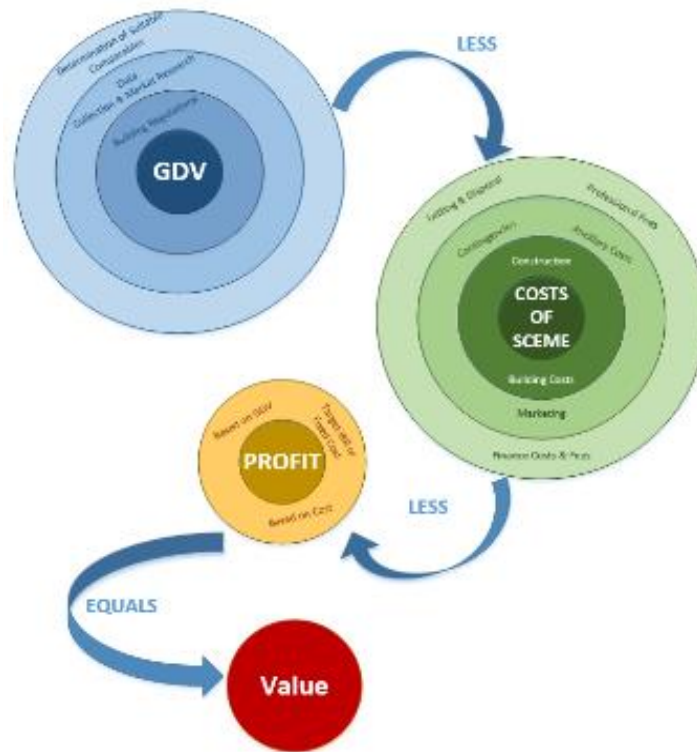
5. Legal & Ownership Status

For the purposes of the valuation report, we assume that the subject property is owned by “IQ KARELA 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 property, we apply the Residual Method and the Comparative Method for the Fair Value of the remaining Building Coefficient.

The 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 under development; therefore, the Residual Method is applied.
- The property in question can generate net benefits and be considered as an investment asset.
- We were able to identify asking prices and rents for the potential uses according to the best-case scenario.
- All Risks Yield can be identified.

We note that the highest and best use scenario complies with the Instructor's Business Plan and parameters. Moreover, we take into account the Preliminary Lease Agreement that we were provided and accept the clauses included as fair. In case, the Business Plan changes, we preserve the right to change our valuation.

General Assumptions:

- All the required parking spaces will be available, and no issues will arise in terms of legal prerequisites.

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:



7. SWOT Analysis

Strengths:

- Good accessibility via private and public transportation means.
- Frontages along two streets.
- Adequate parking spaces
- Adjacent to Cosmote Office Complex
- Preliminary Lease Agreement

Weaknesses:

- Two loading ramps
- High capital investment needed for the development.

Opportunities:

- Redevelopment potentiality
- Close proximity to the airport.
- Remaining coverage.
- Inside the Industrial Zone of Paiania

Threats:

- High taxation of real estate assets.
- A trend towards shorter occupational leases may increase the risk of vacancy in the mid and long term.
- Unknown impact of Covid-19 on real estate market

8. Market Analysis

1) Comparable Evidence

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

Comparable Data - Offices for Rent												Source
Comparable Data												
No.	Area (m ²)	Basement (m ²)	Adjusted Area (m ²)	Specification (Grade A, B, C)	Municipality	Area	Year of Construction	Parking Spaces	Additional Information	Actual Rent per month €	Actual Rent per €/m ² /month	
1	9.670,00	4.467,00	10.563,40	Green	Piraeus	Piraeus	2017	Yes	A/C, structured wiring, good condition, LEED certification, actual lease.	121.450,00 €	11,50 €	Pepper Hellas Research Department
2	9.400,00	2.600,00	9.920,00	Green	Moschato - Tavros	Moschato	2006	Yes	A/C, structured wiring, good condition, LEED certification, actual lease.	113.600,00 €	11,45 €	Pepper Hellas Research Department
3	5.590,00	0,00	5.590,00	Green	Maroussi	Maroussi	2002	Yes	A/C, structured wiring, good condition, LEED certification, actual lease.	79.700,00 €	14,26 €	Pepper Hellas Research Department
4	10.430,00	4.730,00	11.376,00	Green	Athens	Neos Kosmos	2021	Yes	A/C, structured wiring, good condition, LEED certification, actual lease.	179.167,00 €	15,75 €	Pepper Hellas Research Department
5	9.800,00	3.150,00	10.430,00	Green	Piraeus	Piraeus	2020	Yes	A/C, structured wiring, good condition, LEED certification, actual lease.	123.800,00 €	11,87 €	Pepper Hellas Research Department
6	11.000,00	1.100,00	11.220,00	Green	Piraeus	Piraeus	2020	Yes	A/C, structured wiring, good condition, LEED certification, actual lease.	114.220,00 €	10,18 €	Pepper Hellas Research Department
7	6.800,00	0,00	6.800,00	Green	Piraeus	Piraeus	2020	Yes	A/C, structured wiring, good condition, LEED certification, actual lease.	81.100,00 €	11,93 €	Pepper Hellas Research Department
8	11.800,00	1.900,00	12.180,00	Green	Piraeus	Piraeus	2020	Yes	A/C, structured wiring, good condition, LEED certification, actual lease.	147.300,00 €	12,09 €	Pepper Hellas Research Department
9	6.000,00	4.300,00	6.860,00	Green	Piraeus	Piraeus	2020	Yes	A/C, structured wiring, good condition, LEED certification, actual lease.	81.300,00 €	11,85 €	Pepper Hellas Research Department

Comparable Data - Industrial Properties for Rent											Source
Comparable Data											
No.	Area (m ²)	Levels	Specification (Grade A, B, C)	Regional Unit	Municipal Unit	Year of Construction	Parking Spaces	Additional Information	Price €	Price per €/m ²	
1	3.000,00	Ground Floor	C	Western Sector of Attica	Aspropyrgos	1975	Yes	Land plot 9.800sqm, office area available, industrial flooring, loading ramp, reinforced concrete frame	13.500,00 €	4,50 €	Interattica RE, tel: 210 8015631
2	4.000,00	Ground Floor	C	Western Sector of Attica	Aspropyrgos	2003	Yes	Land plot 15.000sqm, WCs, 100 parking spaces, Alarm system, loading ramp, Fridge areas, close to Nato Avenue & Attiki Odos	25.000,00 €	6,25 €	Real Estate Levcel Up Agents, tel: 211 1990960
3	2.500,00	Ground Floor	B	Western Sector of Attica	Magoula	2010	Yes	Land plot 8.000sqm, 20 parking spaces, loading ramp, industrial area	12.500,00 €	5,00 €	Everytime RE, tel: 210 2471272
4	5.600,00	Ground Floor, Mezzanine	B	Western Sector of Attica	Aspropyrgos	2021	Yes	Height 12m, land plot 8.400sqm	32.000,00 €	5,71 €	Gold Key RE, tel: 6951657317
5	720,00	Ground Floor	C	Eastern Sector of Attica	Paiania	1980	Yes	Reinforced concrete frame, loading ramp, 20 parking spaces	3.600,00 €	5,00 €	CCRE RE, tel: 213 0223537
6	900,00	Basement, Ground Floor	C	Eastern Sector of Attica	Paiania	1980	Yes	Office areas, reinforced concrete frame, 10 parking spaces, loading ramp	4.500,00 €	5,00 €	CCRE RE, tel: 213 0223537
7	6.000,00	Basement, Ground Floor	C	Western Sector of Attica	Aspropyrgos	1991	Yes	9m height, industrial flooring, loading ramp, mettalic frame	30.000,00 €	5,00 €	Praxis RE, tel: 210 6775900

Comparable Data - Land Plots Outside the Town Plan for Sale												Source
Comparable Data												
No.	Area (m ²)	Type of Property	Region	Municipality	Area	Planning Regulations	Building Coefficient	Additional Information	Asking Price €	Asking Price per €/m ²	Asking Price for Above Ground Area €/m ²	
1	33.600,00	Land plot	Attica	Paiania	VIOPA	Buildable	0,90	140m frontage, coverage 40% for metallic and 30% for RC frame	8.000.000,00 €	238,10 €	264,55 €	RealTrust, tel: 210 6032500
2	10.000,00	Land plot	Attica	Paiania	VIOPA	Buildable	0,90	Coverage 40% for metallic and 30% for RC frame	1.500.000,00 €	150,00 €	166,67 €	Denaro, tel: 210 6640430
3	18.000,00	Land plot	Attica	Paiania	VIOPA	Buildable	0,90	Coverage 40% for metallic and 30% for RC frame	5.000.000,00 €	277,78 €	308,64 €	Polidoros RE, tel: 210 6655155
4	13.000,00	Land plot	Attica	Paiania	VIOPA	Buildable	0,90	80m frontage, coverage 40% for metallic and 30% for RC frame	2.600.000,00 €	200,00 €	222,22 €	Plasis RE, tel: 210 9601909
5	11.000,00	Land plot	Attica	Paiania	VIOPA	Buildable	0,90	74m frontage, coverage 40% for metallic and 30% for RC frame	2.200.000,00 €	200,00 €	222,22 €	Plasis RE, tel: 210 9601909

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

- Grade A – Certified Office Buildings in Attica are rented between €11.50/m²/month and €25.00/m²/month depending on the location, the size, the age, the visibility, the view, the shape, commerciality, accessibility, technical specification, the extent of renovation, the availability of parking spaces, the distance from major thoroughfares and other key features.
- Grade A Industrial buildings, in Attica are available to let between €5.50/m²/month and €7.50/m²/month depending on the location, the size, the age, the visibility, the view, the shape, commerciality, accessibility, technical specification, the extent of renovation, the availability of parking spaces, the distance from major thoroughfares and other key features.
- Land plots inside the Industrial Park (VIOPA) of Paiania, are available for sale between €150.00/m² and €300.00/m² depending on the location, the size, the planning regulations, the visibility, the view, the shape, commerciality, accessibility, the distance from major thoroughfares and other key features.
- In some cases, and according to the special features of the property, the asking prices may be higher or lower than the indicative range.

We note that industrial properties tailor-made for specific productions, like pharmaceutical products, are sold or rented at higher values and are not compared to common constructions. They include high technological labs and specific technical characteristics and construction materials that differ from simple production units. Such units are rare in the Greek market, therefore, the few available have special lease agreement aiming at specific tenants and users.

2) Real Estate Market

Description of the Local Market

Commercial & residential development:	The area is characterized mostly by industrial/ warehouse uses, while there are a few office uses which are concentrated on main street.
Commerciality:	Commercial development is concentrated along the regional road Paiania - Markopoulo.
Average age of building stock:	Most buildings in the area are over 15 years old.
Construction activity:	Limited.
Development rate:	Slow
Landmark:	Cosmote Office Complex
Supply:	Moderate supply of industrial space for sale and rent. Sufficient supply of land plots for sale.

Demand: Moderate demand for industrial space and land plots.

9. Proposed Development

According to the data provided, the instructor is under the process to redevelop the existing property into two phases. In Phase A, the existing warehouse is planned to be renovated completely into a Grade A Production Unit with office areas. The total areas of the existing and new buildings are presented in the table below:

Building	Level	Use	Area (m ²)
Existing Buildings – Phase A	Ground Floor	Offices	540,05
	1st Floor	Offices	293,80
	Basement	Ancillary	293,80
	Ground Floor	Warehouse	3.346,10
Subtotal			4.473,75
New Buildings - Phase B	Basements	Ancillary	6.266,76
	Overstructure	Main Use - Offices	9.400,13
Subtotal			15.666,89
Grand Total			20.140,64

We have been informed that the complex will be developed according to the principles of sustainability, ensuring energy and environmental efficiency, aiming at a high standard technical characteristics. In terms of technical specification, high quality standard finishes, enhanced indoor environmental quality, and elegant design are going to be implemented according to verbal information from the instructor.

10. Fair Value

According to the above calculations, the Fair Value of the subject property located in the Industrial Park (VIOPA) of Paiania, in the area of Pousi – Ledi, at the regional road of Paiania – Markopoulo, in the Municipality of Paiania, Regional Unit of Eastern Attica, Region of Attica, is **9,020,000.00 € (Nine million twenty thousand euros)**.

Total Values	
Property	Fair Value
Buildings	8,040,000.00 €
Remaining BC	980,000.00 €
Total	9,020,000.00 €

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

Publication

In accordance with Pepper Hellas Asset Management SA standard practice we state that the report is for the use of the instructor to whom it is addressed and the purpose for which it has been conducted. Written permission must be requested for the use, reproduction or publishing of the whole or any part of the report. The report can be used without granted permission only from involved parties.

Pepper Hellas Asset Management SA does not accept any responsibility to any third party for non-approved use of the report.

For Pepper Hellas Asset Management S.A.



Thomas Ziogas
CEO
MSc, MBA, MRICS, REV
Certified Valuer



Natalia Zioga
BA, MSc, MRICS
Certified Valuer
F.A. Valuations, Underwriting & Reporting
Department

Theodoros Delidimitropoulos
Associate
BA, MSc
FA Valuations, Underwriting & Reporting

A large yellow graphic element on the right side of the page, consisting of a semi-circle on the left and a vertical rectangle on the right, forming a shape similar to a stylized 'D' or a rounded square.

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

Warehouse building of total area 4,475.45sq.m., located in the «ΒΙΟΠΑ» Paianias, area of Pousi – Ledi, regional road of Paianias - Markopoulo, Municipality of Paianias, Regional Unit of Eastern Attica, Region of Attica

