

SHORT REPORT

MARKET VALUE ASSESSMENT

OF THE BUILDING COMPLEX “MINION”

B.B.73041, OMONOIA SQUARE, MUNICIPALITY OF ATHENS

Prot. No.: PEF-975

To:

DIMAND SA

Mr Stavro Vaggali
Banking Relations & Project Finance Manager
Neratziotissis 115
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8th of April 2022



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

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

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

Pepper Hellas Asset Management SA 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 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 without the proper instruction to do so from the Client.



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Appendix 1 Basis of Valuation

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Executive Summary

Instructor:

DIMAND SA

Valuer:

Pepper Hellas Asset Management SA

Subject of Valuation:

Market Value of the building complex "Minion". We note that for the purposes of this report we estimate the market value of the horizontal ownerships that are or will be acquired by the Instructor.

Property' s Address:

The property occupies the entire Building Block 73041, which is surrounded by 28th Oktovriou (former Patission street), Satovriandou, Dorou and Veranzerou streets, in the area of Omonoia Square, 1st Municipal District of Athens, in the Municipality of Athens, Regional Unit of Central Athens, Region of Attica.

General photo of subject property:



Purpose of Valuation:

The Valuation is prepared for financing purposes.

Basis of Valuation:

The basis of valuation is the Market Value according to the European Valuation Standard (EVS 1) and the Valuation Practice Statement (VPS 4) par. 4 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 and best use according to IVS 104, par. 130

Currency:

EUR (€)

Critical Date of Valuation:

26/11/2021

Date of Report:

8/4/2022

Total Values:

Buildings	Value	€
C, D, E	Market Value (as is)	€19.223.000,00 (Nineteen million two hundred and twenty-three thousand Euros)
	Gross Development Value (GDV) *	€37.042.000,00 (Thirty-seven million and forty-two thousand Euros)
A, B	Market Value (as is)	€7.060.000,00 (Seven million and sixty thousand Euros)
	Gross Development Value (GDV) *	€16.985.000,00 (Sixteen million nine hundred and eighty-five thousand Euros)
A, B, C, D, E in total	Market Value (as is)	€26.283.000,00 (Twenty-six million two hundred and eight-three thousand Euros)
	Gross Development Value (GDV) *	€54.027.000,00 (Fifty-four million twenty-seven thousand Euros)
Target IRR (%)		11,75%
<p>* "The aggregate market value of the proposed development assessed on the special assumption that the development is complete on the date of valuation, in the market conditions prevailing on that date. Where an income capitalization approach is used to estimate the GDV, normal assumptions should be made within the market sector concerning the treatment of purchaser's costs. The GDV should represent the expected contract price." (Valuation of development property, 1st edition, October 2019, RICS professional standards and guidance, global, p.4)</p>		

1. Instruction

Further to your instruction with Prot. No. **SAO-1428** dated the **19/11/2021**, we have proceeded to the determination of the Market Value of the building complex “Minion”, which occupies the entire Building Block 73041 and is located in the immediate vicinity of Omonoia Square, in the 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 report is carried out by the strict supervision of qualified professional valuers of adequate expertise and experience according to PS 1 and PS 2 of RICS Valuation – Global Standards 2020. The certifications of our valuers are either from The Royal Institution of Chartered Surveyors (MRICS, FRICS) (www.rics.org), or from The European Group of Valuers’ Associations (REV scheme) (www.tegova.org) certification body in Greece PEOPLECERT (www.peoplecert.org).

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

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

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

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

2. Introduction

The purpose of this report is the determination of the Market Value of the building complex known as “Minion”, which occupies the entire Building Block 73041, and is located in the immediate vicinity of Omonoia Square, in the Municipality of Athens, Regional Unit of Central Athens, Region of Attica.

Date of inspection: 19/11/2021

An external inspection was carried out in the subject property due to its current condition.

Data provided:

- Building Permit No. 396/2003 for the repair and the structural reinforcement of a multi-storey commercial building (the entire building complex), as well as No. 1079/2005, 1292/2007, 841/2009, 1132/2009 revisions of the aforementioned permit, both issued by the Planning Authority of Athens.
- Building Permit No. 1113/2010 for the repair and the structural reinforcement of a multi-storey commercial building (only building A), as well as the No. 46/2017 revision of the aforementioned permit, both issued by the Planning Authority of Athens.
- The No. 17833/16-06-2016 statement of the Hellenic Ministry of Environment and Energy, which contains official directions regarding concerns or matters that may arise during the issuance of building permits of the subject property.
- Land plots' site plan, scaled at 1:200, signed by the land surveyor Spyridon Desylas, in June 2018.
- Land plots' site plan, scaled at 1:200, signed by the architect engineer Panagiotis Petropoulos, in May 2010.
- Architectural drawings of buildings B-C-D-E, scaled at 1:100, that accompany building permit revisions No. 1079/2005, 1292/2007, 841/2009, 1132/2009, signed by the architect engineer Petropoulos.
- Architectural drawings of building A, scaled at 1:50, that accompany building permit revisions 1113/2010, signed by the architectural office Christos Symeon and the architect engineer Georgios Papanastasiou.
- Business plan (in MS excel).
- Measurement table (GLA) of the property provided by the Client (in MS excel).

3. Location

Address:

The property occupies the entire Building Block 73041, which is surrounded by 28th Oktovriou (former Patisson street), Satovriandou, Dorou and Veranzerou streets, in the area of Omonoia Square, 1st Municipal District of Athens, in the Municipality of Athens, Regional Unit of Central Athens, Region of Attica.

Property in a high commercial location

Immediate accessibility to all town's facilities

High visibility

Close to Omonoia Square

Landmark

GIS Coordinates:

Latitude: 37.985123,

Longitude: 23.729295 (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, occupies a total area of 412 km², and is divided into seven municipal districts which are mainly used for administrative purposes.

Subject area:

The subject property forms part of the 1st municipal unit of the Municipality of Athens and is situated very close to Omonoia Square (approx. 100m) and Kaniggos Square (approx. 150m). The area is densely populated, with classic type multi-storey residential buildings of old construction. Many neoclassical buildings are scattered in the area, some of which are of unique architectural value. The area is a traditional Athenian neighborhood, with all the relevant characteristics, such as old building blocks of flats and small retail units on the ground floors. Large retailers are also available at Omonoia Square or along certain parts of 28th Oktovriou street. The broader area is also characterized by a significant number of private educational institutions/universities, theatres and cinemas. Finally, Omonoia Square used to be well known for its luxurious city hotels, many of them still operate in the area, or are recently acquired by multi-national hotel chains and restarted their operation.

The prolonged fiscal crisis, as well as the large number of immigrants that have inhabited the area during the last decade, have caused severe downgrading problems. However, during the last two years several investments in real estate property, as well as the redevelopment of the Omonoia Square, have taken place and try to upgrade the subject market. Finally, a major problem of the area is the lack of parking and the heavy traffic, especially during rush hours.

Satovriandou Street: It is a one-way street, of relatively small width, which partially has been converted to small pedestrian walkway (the part close to and along the property under question).

Dorou Street: It is a short and narrow one-way street, which starts from Verantzerou Street and ends up to Omonoia Square.

28th October (former Patisson) Street: The subject street is a main thoroughfare of Athens, that runs along the National Archaeological Museum, the NTUA, the Athens University of Economics and Business, and intersects Alexandras Avenue, which leads towards Kifissias and Mesogeion Avenues, and consecutively to the northern and eastern suburbs. In specific, 28th Oktovriou connects Omonoia Square and the centre of Athens with the districts of Kipseli, Galatsi and Patisia and provides easy access to the National Highway Athens-Thessaloniki E75 via Acharnon Street.

Verantzerou Street: It is a relatively short one-way street, which starts from Kaniggos Square and ends up to Marnis Street.

Accessibility:

By private vehicle: The subject property is mainly accessed by 28th October and Veranzerou Streets.

Public means of transport:

- Metro: The property is served by 'Omonoia' Metro Station, which lies approximately 150m away.
- Public Buses: The area is adequately served by numerous bus lines, which run along the nearby streets and within a distance of 200m.
- Trolley Buses: The area is also served by the trolley busses network.

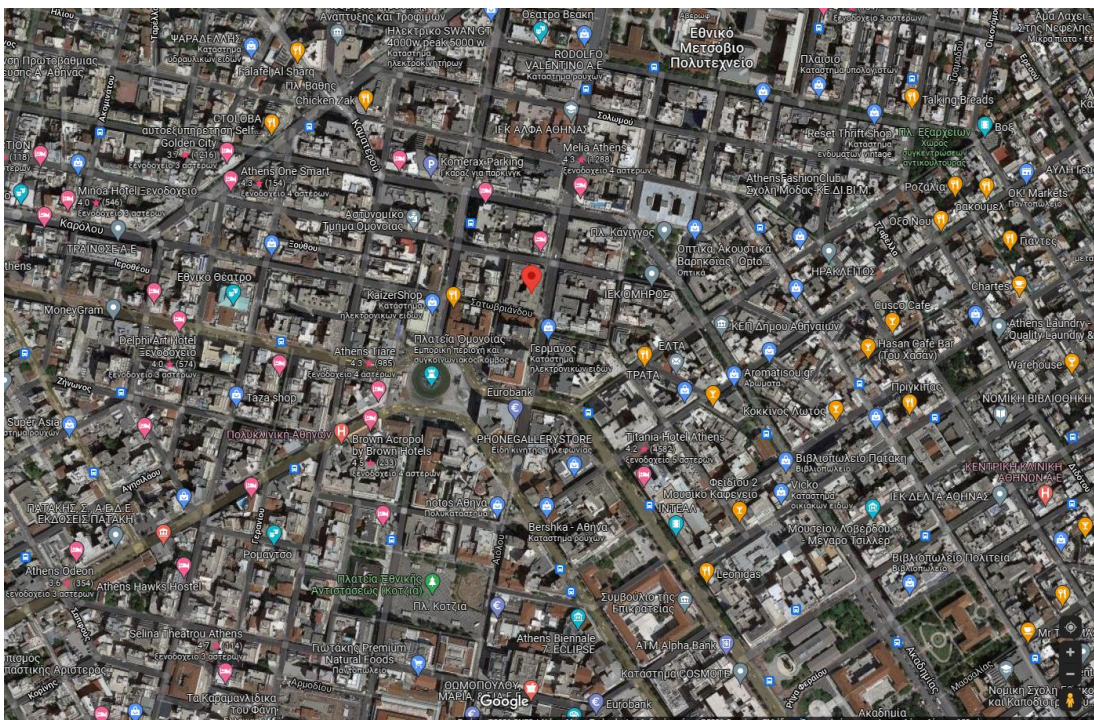
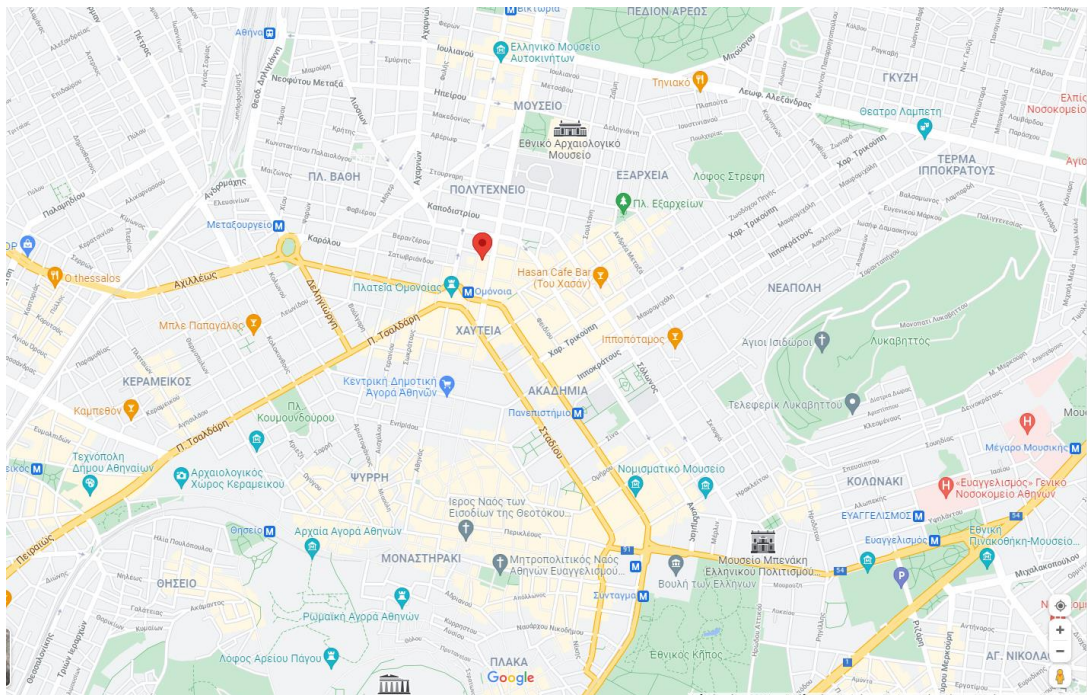
Surrounding Area:

The area is mainly characterised by mixed commercial uses, including public/private institutions, public services, 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 over 40 years old.

Indicative occupiers in the area:

- Athens Tiare Hotel
- Greotel Pallas Athens
- Polis Grand Hotel
- Hondos Center
- Piraeus Bank
- Bershka
- Council of Territory
- Various small retail units and offices
- IEK OMIROS educational institution
- Polis Grand Hotel
- Omonoia Police Station
- Vodafone
- Zara

Indicative map and aerial photo of the area under study:



4. Property Description

1) Land Description

Area (m²) of land plots:

2,060.21m² according to the site plans provided. The large land plot is composed by the merger of the following six (6) adjacent land plots:

- 01 – 530.46m²
- 02 – 258.26m²
- 03 – 184.25m²
- 04 – 180.52m²
- 05 – 362.81m²
- 06 – 543.91m²

Land plot of large size
Rectangular shape
Goodview
Occupies the whole BB 73041

Shape & Dimensions:

- Rectangular shape
- It borders according to our inspection and the site plans provided, to the:
North: frontage of 40.15m to Veranzerou Street
East: frontage of 52.13m to 28th October (former Patission) Street
South: frontage 40.65m to Satovriandou Street
West: frontage 52.52m to Dorou Street

Orientation:

- *Northern* towards Veranzerou Street
- *Eastern* towards 28th October (former Patission) Street
- *Southern* towards Satovriandou Street
- *Western* towards Dorou Street

Gradient:

- Slight gradient to the South

Fencing:

No fencing

Infrastructure:

- All necessary infrastructure was applied for the erection of the building complex.

View/ Position/ Commerciality:

- Excellent open view
- Excellent position and high visibility
- High commerciality
- The subject property is a landmark of the Municipality of Athens and the area around Omonoia Square.

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 occupies the entire Building Block 73041, lies within the designated town plan of the Municipality of Athens and is subject to the following building regulations:

Land plot eligible for development
Intact and buildable
Inside the town plan of the Municipality of Athens

Government Gazettes

305B'/1939, 11A'/1953, 146A'/1954, 208A'/1956, 175Δ'/1985, 312Δ'/1978, 80Δ'/1988, 19ΑΑΠ/2007

Land plot requirements

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

Building Coefficient:	5.40 (312Δ'/78)
Coverage Ratio:	60% (according to New Building Code)
Max Height:	According to New Building Code (NOK)
Permitted Uses:	Supralocal Municipality Center - Government Gazette 80Δ'/1988
Archaeology:	Yes

3) Building Description

The subject property comprises a complex of multi-storey commercial buildings known as 'Minion', which was initially erected during 1950s and ceased its operation in late 1990s. The underground levels comprise mostly ancillary uses, such as storage units, E/M installations etc., whereas the ground floor and the rest of the upper floors are retail areas, offices and F&B uses. The property is currently in need of repair and renovations, mainly due to the decay and the deterioration of the building, since it has not operated over the last 20 years.

Landmark property
Complex of multi-storey commercial buildings
Built in early 1950s
In a poor state of repair

The total areas and uses, as well as the areas that are subject to this report, according to the data provided, are presented in the following table:

Building complex, B.B. 73041, 28th October (former Patision str.) – Sativriandou - Dorou - Veranzerou streets, Municipality of Athens, Region of Attica						
Property	Level	Use	GLA (m²) – under valuation	Third Party Ownerships -GLA (m²)	Common use areas (m²)	Gross Floor Area (m²)
Land plot			543,91			
Building A	-1	storage units and ancillary areas	225,47	229,50	99,44	554,41
	Total Basement Area		225,47	229,50	99,44	554,41
	0	retail units	221,48	225,21	107,72	554,41
	1	offices	292,96	98,43	109,12	500,51
	2	-	0,00	374,51	126,00	500,51
	3	offices	374,51	31,20	94,80	500,51
	4	offices	343,61	101,68	55,22	500,51
	5	offices	272,83		227,68	500,51
	6	offices	325,27	46,86	128,38	500,51
	7	offices	225,05		162,77	387,82
	8	offices	201,74			201,74
	Total Above Ground Area		2.257,45	877,89	1.011,69	4.147,03
Total Building A			2.482,92	1.107,39	1.111,13	4.701,44
Land plot			530,46			
Building B	-1	storage units and ancillary areas	320,21	41,45		361,66
	-2	storage units and ancillary areas	285,67	213,20		498,87
	Total Basement Area		605,88	254,65	0,00	860,53
	0	retail units	334,70	141,39		476,09
	1	offices	334,70	217,63		552,33
	2	offices	0,00	552,33		552,33
	3	offices	334,00	218,33		552,33
	4	offices	334,68	217,65		552,33
	5	offices	335,42	216,91		552,33
	6	offices	334,70	217,63		552,33
	7	offices	234,60	258,02		492,62
	Total Above Ground Area		2.242,80	2.039,89	0,00	4.282,69
Total Building B			2.848,68	2.294,54	0,00	5.143,22
Land plot			623,03			
Building C & D	-1	storage units and ancillary areas	516,39			516,39
	-2	storage units and ancillary areas	620,89			620,89
	Total Basement Area		1.137,28			1.137,28
	0	retail units	425,06			425,06
	1	offices	566,16			566,16

Building complex, B.B. 73041, 28th October (former Patision str.) – Satovriandou - Dorou - Veranzerou streets, Municipality of Athens, Region of Attica						
Property	Level	Use	GLA (m²) – under valuation	Third Party Ownerships -GLA (m²)	Common use areas (m²)	Gross Floor Area (m²)
	2	offices	566,16			566,16
	3	offices	566,16			566,16
	4	offices	566,16			566,16
	5	offices	566,16			566,16
	6	offices	566,16			566,16
	7	offices	566,16			566,16
	Rooftop	-	8,85			8,85
	Total Above Ground Area		4.397,03			4.397,03
Total Building C & D			5.534,31			5.534,31
Land plot			362,81			
Building E	-1	storage units and ancillary areas	171,15			171,15
	-2	storage units and ancillary areas	377,81			377,81
	Total Basement Area		548,96			548,96
	0	retail units	377,81			377,81
	1	offices	377,81			377,81
	2	offices	377,81			377,81
	3	offices	377,81			377,81
	4	offices	377,81			377,81
	5	offices	377,81			377,81
	6	offices	377,81			377,81
	7	offices	377,81			377,81
	8	-	50,72			50,72
	Total Above Ground Area		3.073,20			3.073,20
Total Building E			3.622,16			3.622,16
Grand Total			14.488,07	3.401,93	1.111,13	19.001,13
Total Above Ground Area			11.970,48	2.917,78	1.011,69	15.899,95
Total Basement Area			2.517,59	484,15	99,44	3.101,18

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

4) Building Status

- ⇒ We have not made planning investigation or/and enquiries, nor have we been fully informed for the planning status of the property under assessment. Furthermore, we have not inspected the premises internally, neither performed any technical or planning due diligence. Thus, we have formed only a macroscopic point of view.

- ⇒ For the purposes of this report, we accept that all the property's areas do comply with the in-force planning regulations and legislation or prior to planning regulation decrees, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current or similar uses.
- ⇒ In any case, the current report determines values for the existing uses and does not substitute the necessary engineer's certificate, according to the Law no. 4495/2017.

5. Proposed Development

According to the data provided, the instructor intends to redevelop and convert the existing building into a sustainable commercial building of contemporary design and specification. The areas and uses are going to comprise retail units on the ground floor and the lower floors, and offices or mixed uses, such as F&Bs, on the upper floors. The basements will be ancillary areas (e.g. storage units, E/M areas) supplementing the main upper floors.

1) Technical Specification

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

Technical Characteristics:

Frame:	▪ Reinforced concrete frame.
Roof:	▪ Flat concrete roof
Walls & Partitions:	▪ External walls: brick walls
General:	<ul style="list-style-type: none"> ▪ Construction materials planned to be used in all phases of the development will be approved in accordance with the specifications of LEED certification. ▪ The subject building at completion will be of excellent quality of construction, reaching the category of Grade A office building. ▪ The property currently is in poor condition and is in need of full renovation.
Uses:	The redevelopment is going to feature the following uses as presented in the following table:

2) Development progress

According to information on Business Plan provided by the instructor, the development progress is expected to begin in the first quarter of 2022 (Q1/2022).

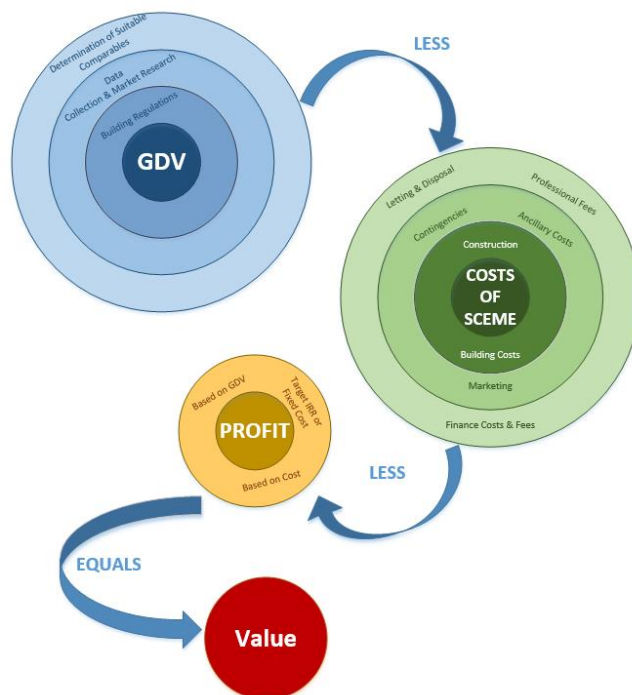
6. Legal & Ownership Status

For the purposes of the valuation report, we assume that the subject property is going to be partially owned by the Dimand S.A. The acquisition of the subject complex is processed into two phases. In Phase 1, Buildings C, D, and E are going to be acquired and in Phase 2, Buildings A and B.

We further assume that the premises are clear and free of any encumbrances or charges that may affect their value. At any case we preserve our right to change our valuation.

7. Valuation Methodology

In order to determine the Market Value of the subject property, we apply the Residual Method which 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 site or a building for redevelopment or refurbishment. 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 2020, EVIP 5, par 6.5). The process of this methodology is presented to the following diagram:



Reasons for choosing Cost Approach – Residual Method:

- The subject property will be developed or redeveloped; therefore the Residual Method can be 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.

Reasons for rejecting other methodologies:

- Sales evidence for similar complexes in the area of the subject property is limited thus the Comparative Method is not applied.
- The Income Approach based on the Direct Capitalization is not preferred, since currently the building cannot be rented as is.
- The Income Approach based on the Discounted Cash Flows is not preferred, since the property in question is not rented and does not generate income flow.
- The Depreciated Replacement Cost Method is not applied because the subject property can be developed.

General Assumptions:

- Greece will continue to be a member of the European Union and the European Eurozone, with Euro being the country's currency.
- For the purposes of this report, we examine the proposed redevelopment scenario assuming that the building will be redeveloped after having received all relevant permits in accordance with the applicable planning regulations.
- For the purposes of this report, we assume that all areas and permitted uses are legal, and that all redevelopment works and renovations will comply to Planning Regulations and Laws.

8. SWOT Analysis

Strengths:

- Landmark building
- Good accessibility via private and public means of transport
- The building will be LEED certified, ensuring its energy and environmental efficiency.
- Frontages along four streets
- Good location in very close proximity to the Omonoia Square
- Independent property – occupies a Building Block

Weaknesses:

- High capital investment is needed for redevelopment
- Investment demand is focusing on more upgraded commercial areas and well-established office locations.
- Large gross area of the property
- Property in a poor state of maintenance
- The surrounding area is characterised by high criminality, pollution etc.
- Lack of free parking spaces.

Opportunities:

- Occupational demand and rental levels are growing after a 10-year falling period
- Lack of Grade A office space around Omonoia Square

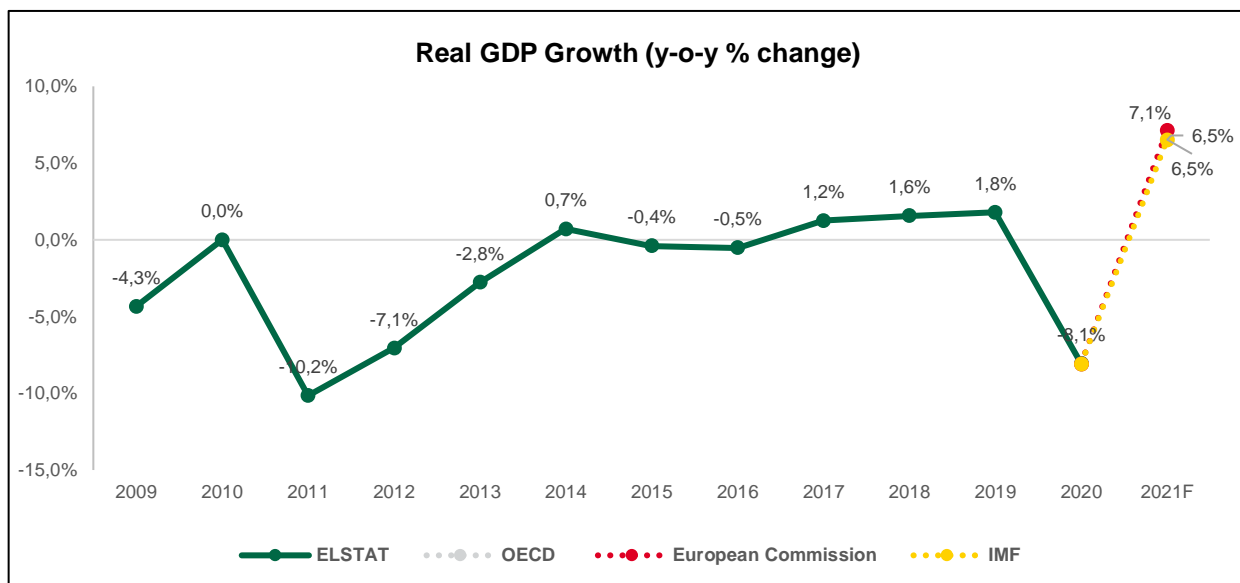
Threats:

- High taxation of real estate assets
- Unknown impact of COVID-19 on real estate market

9. Market Analysis

1) Market Overview

In recent years, Greek economy has shown rapid improvement after the prolonged economic crisis that hit hard after 2010. The signs of recovery were evident between 2017-2019, where most of economic indicators verified the turn-around story. However, from the first quarter of 2020 until today, the global community is experiencing one of the most unprecedented situations, the global pandemic that owes its existence to the coronavirus COVID-19. The effects of the global pandemic are significant, and the Greek economy has been hit hard by changing consumer habits and limited demand for tourism. Below the charts illustrate the magnitude of the recession as well as the positive forecasts of international organizations for the course of the Greek economy.



Office Market

Athens Office Market

The Athenian office market is concentrated in five main locations with the prime office locations being the wider CBD, Athens north and south and secondary being the western suburbs and Piraeus. The CBD is the traditional office location offering almost 20.0% of Grade A and B stock and hosts the offices of financial institutions, international organisations in the services sector and the majority of the public sector's buildings.



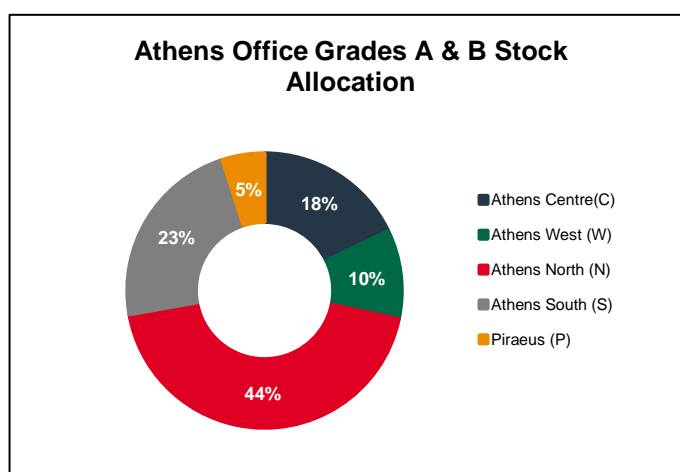
Source: Pepper Research

The northern suburbs of Athens are the prime office destination with a market share of c. 50.0% of Grade A and B stock, offering the largest percentage of modern office space and accommodating national and international organizations, companies in the services, shipping, legal and development sectors. The southern suburbs of Athens are also an important office location also holding 23.0% of Grade A and B stock.

Athens Office Market				
Athens Centre(C)	Athens West (W)	Athens North (N)	Athens South (S)	Piraeus (P)
City Centre (CBD)	National Rd	Kifissias Av.	Sygrou Av.	Akti Miaouli
Alexandras Av.	Petrou Ralli	Mesogeion Av.	Faliron	Akti Tzelepi
Patission Av.	Iera Odos	National Rd	Vouliagmenis Av.	Akti Kondili
Piraeus Av.	Thivon Av.	Attiki Odos	Poseidonos Av.	Kononos
Vas. Sofias Av.	Athinon Av.		Piraeus Av.	Ag. Dionisou
Ampelokipi				Kastoros

Source: Pepper Research

In the greater Athens area, the total Grade A and B office stock amounts to c. 2.2mn square meters with almost half being concentrated in the northern suburbs. Vacancy rates for Grade A space in the five submarkets of the wider Athens area range between 3.0% to 6.0%, compared to Grade B vacancy rates that range between 7.00% and 9.00%. Overall, vacancy rates in the top three office markets -City Centre, Athens North and Athens South- have decreased over the last two years for both Grade A and B stock exhibiting a take-up trend.



Source: Pepper Research

Quarantine days has set new trends in the office market. Following the restrictions for social distancing, more and more businesses have adopted remote working, which created the need for less office spaces with more flexible areas and high technical specifications. Large developers have already seen the upcoming demand and lean over to meet tenants' requirements. Market rents for Grade A office spaces in 2020, before the locked down period, had reached at an average of €20.0/sqm/month. However, rents for high specifications offices are expected to drop or remain at the same levels in the following years, while yields will rise slightly.

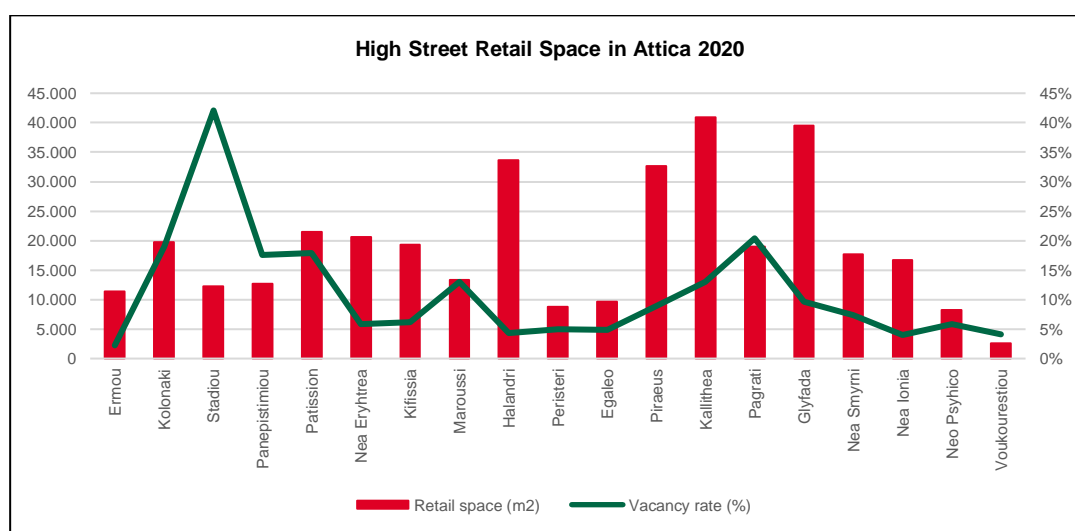
In 2021, prime offices rents in the city centre (Syntagma, Vassilissis Sofias Av.) range between €18.0 and €23.0/sqm/month. In the northern suburbs (Kifissias Av.) prime rents hover in the range between €15.0 and €20.0/sqm/month, while in the southern suburbs (Syggrou Av.) rents for prime offices remained at low levels, between €12.0 and €18.0/sqm/month. It should be noted that there were few transactions where higher rents were recorded.

During the locked-down period, few transactions were noticed, mainly by the large local investors and REIC companies. Moreover, local large developers had not ceased their developments, and continue their ongoing projects. However, exiting the locked-down period, the office market is challenged to face credit losses, uncertainty of current and future income, rent reductions, increased vacancy rates, scarce market activity, demanding tenants, and the ending of hotdesking era.

Concerning Grade A Offices, the opportunity is in development because there is no stock of high quality specifications. Market rents and values are expected to stabilize and rise the following two years as a consequence of the low levels that the market was performing the last decade, which attracted an increased investment activity. The local REICs are very active in the office investment, which is mainly focused on the upgrading of the old stock to high specifications spaces. Yields are already falling and are expected to fall further and reach the levels prior the financial crisis period.

Retail market & shopping centres

The trends in the retail sector are also changing. Customers have turned to e-commerce due to the locked down period, something that might continue at a slower pace over the following years. Domestic retail is suffering and is expected to continue as is in the next months. The main categories that were hit harder are the non-essential goods and leisure services. Moreover, malls and shopping centres have seeing their visitors' flow dropping sharply at ~30.0%, compared to open markets and retail parks that are performing better during the post locked-down period. Supermarkets, grocery stores and local producers surged at a record pace over the past five months, as consumers were forced to eat at home during the coronavirus lockdown, with sales jumping at +13,1% during the first trimester of 2020, compared to the same period of the previous year. The pandemic had a negative impact on retail rents and consequently on properties' market values. Yields increased, demand for high street shops dropped and vacancy rates are still increasing. The following graph illustrates the retail space (m²) and the vacancy rate (%) in Attica.

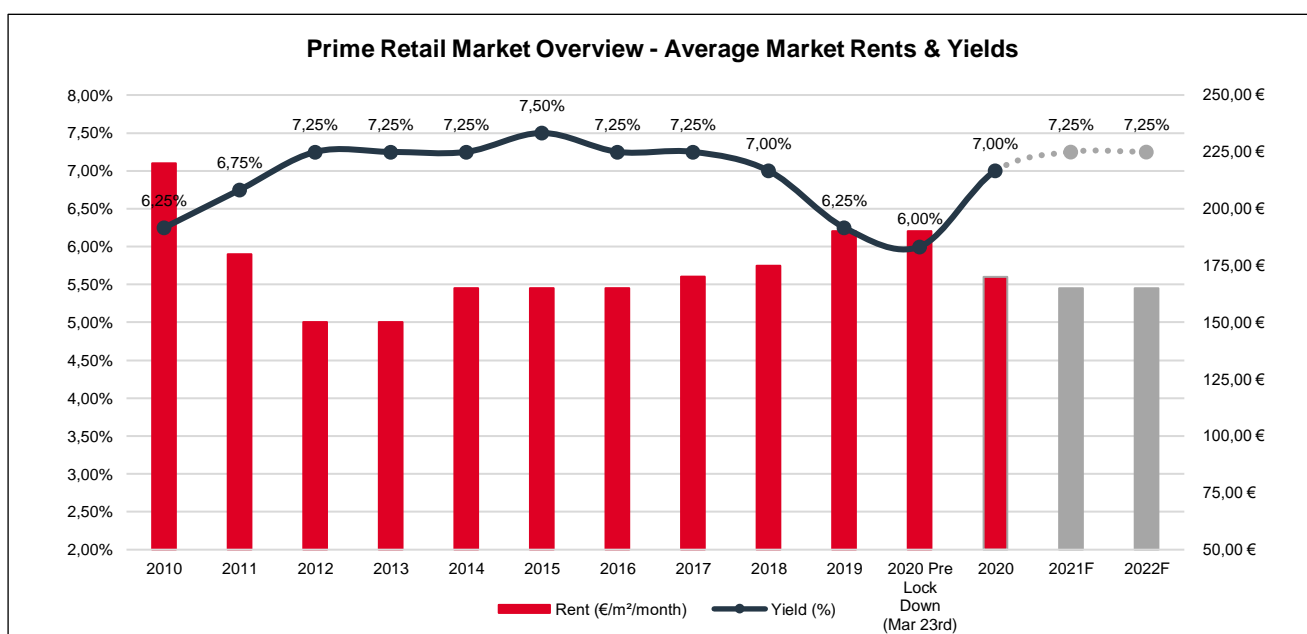


Source: Pepper Research

In the center of Athens, the prime rents on Ermou Street, ranged between €120.00 and €150.00/sq.m/month, while in some cases the rents fluctuated at higher levels. Yields ranged between 6.00% and 7.00% for prime properties.

Retail markets in the suburbs of Athens showed conflicting signs regarding vacancies. In the South suburbs, Glyfada remains a suburb of high interest with most shopkeepers being attracted to Metaxa and Lazaraki streets. The profile of the area has evolved in recent years through the remarkable movement of f & b shops from Zisimopoulou to Esperidon Square and Kyprou and Laodikis streets. The supply on some roads is significant, while along the main roads of great interest it is very limited.

In the northern suburbs, Kifissia remains a traditional market destination showing increased demand with the percentage of vacancies being very low. In contrast, in the secondary shopping areas with low commerciality we find higher percentages of vacant spaces and less traffic.



2) Comparable Evidence

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

Offices for rent:

Comparable Data - Offices for Rent														Source
Comparables														
No.	Area (m²)	Type of property	Level	Specification (Grade A, B, C)	Municipality	Area	Street	Year of Construction	Refurbishment	Parking Spaces	Additional Information	Asking Price €	Asking Price per €/m²	
1	333,00	Office	3	B	Athens	Syntagma Square	Filelinon & Xenofontos Str.	1970	Refurbished	No	Corner office space, near Syntagma Square, in an excellent state of maintenance	5.300,00 €	15,92 €	GLOBALITY, Tel. 2106149591
2	400,00	Office	1	B	Athens	Omonoia Square	Stadiou Str.	1901	Refurbished	No	Office space, near Omonoia Square, in an excellent state of maintenance	7.000,00 €	17,50 €	Utopia Real Estate, tel. 2160701959
3	260,00	Office	3	B	Athens	Omonoia Square	N/A	1965	Refurbished	No	Office space, near Omonoia Square, in an excellent state of maintenance	4.000,00 €	15,38 €	Rokanas Real Estate, tel. 2109614336
4	195,00	Office	1	A	Athens	Omonoia Square	Feidiou	2021	Fully Reconstructed	No	Office space, near Omonoia Square, in an excellent state of maintenance	3.100,00 €	15,90 €	Vios Coworking, tel. 2119557600
5	300,00	Office	3	B	Athens	Omonoia Square	N/A	1960	Refurbished	No	Office space, near Omonoia Square, in an excellent state of maintenance	4.000,00 €	13,33 €	Dontas Real Estate, tel. 2106231555

Retail stores for rent:

Retail Stores for Rent													Source
Comparable Data													
No.	Area (m²) of Ground Floor	Area (m²) of Basement	Area (m²) of Mezzanine	Ajustement on ground floor	Municipality	Area	Street	Year of Construction	Parking Spaces	Additional Information	Asking Price or Passing Rent €	Asking Price per €/m²	
1	247.00	0.00	115.00	316,00	Athens	Omonoia Square	Panepistimiou	N/A	No	High visibility corner retail property, currently leased, in an excellent state of maintenance	10,000.00 €	31,65 €	Pepper Hellas
2	480.00	480.00	130.00	678,00	Athens	Omonoia Square	28th October Str.	N/A	No	High visibility corner retail property, currently leased, in an excellent state of maintenance	25,000.00 €	36,87 €	Pepper Hellas
3	120.00	69.00	136.00	218,85	Athens	Kotzia Square	N/A	N/A	No	High visibility corner retail property, currently leased, in an excellent state of maintenance	8,185.00 €	37,40 €	Pepper Hellas
4	100.00	80.00	0.00	120,00	Athens	Omonoia Square	Panepistimiou and Aiolou Str.	N/A	No	High visibility corner retail property, currently leased, in an excellent state of maintenance	3,800.00 €	31,67 €	Infocasa Κολωνάκι, tel. 2107255653
5	100.00	80.00	0.00	120,00	Athens	Syntagma Square	Amalias Av., close to Syntagma Square	1965	No	High visibility property, with a 7 m façade, eligible for retail, commercial and F&B uses, in a good state of maintenance	4,000.00 €	33,33 €	GLOBALITY tel.2106149591
6	145.00	0.00	105.00	208,00	Athens	Syntagma Square	Souri Str.	1975	No	High visibility property, eligible for retail, commercial and F&b uses, in a good state of maintenance	6,000.00 €	28,85 €	Katikia, Tel. 2111990651

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

- Grade A & B office space in the immediate vicinity of the subject property and very close to Omonoia Square, within the Municipality of Athens, are available for let between €13.00/m²/month and €20.00/m²/month, depending on the location, the size, the level, the age, the visibility, the view, the shape, commerciality, accessibility, technical condition, the extent of renovation, the availability of parking spaces, the distance from major thoroughfares and other key features.
- High street retail stores in the immediate vicinity of the subject property and very close to Omonoia Square, within the Municipality of Athens, are available for let between €20.00/m²/month and €40.00/m²/month, depending on the location, the size, the visibility, the shape, commerciality, accessibility, technical condition, 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 ranges.

3) Real Estate Market

Description of the Local Market

<i>Commercial & residential development:</i>	The area is a mixed-use district, with retail, office, F&B and hospitality situated very close to and around Omonoia Square, whereas residential uses are mostly concentrated on secondary streets.
<i>Average age of building stock:</i>	Most buildings in the area are over 40 years old.
<i>Construction activity:</i>	Construction activity is observed in the area, especially in the hotel industry.
<i>Development rate:</i>	Fully developed area.
<i>Landmark:</i>	Omonoia Square Minion Building
<i>Supply:</i>	Supply of prime (Grade A or B) commercial properties (offices and retail) in the wider area is limited.
<i>Demand:</i>	Demand for prime office or retail spaces in the wider area is recorded at satisfactory levels.

10. Market Value

According to the above assumptions, and the detailed calculations, the Market Value of buildings A, B, C, D, E, of “Minion” building complex under redevelopment, located in the Municipality of Athens, at the Building Block 73041, within the area around Omonoia Square, Attica Region, as of 26/11/2021, is rounded at **€26.283.000,00 (Twenty-six million two hundred and eighty-three thousand Euros)**.

For Phase 1, for Buildings C, D, E the Market Value as is, is rounded at **€19.223.000,00 (Nineteen million two hundred and twenty-three thousand Euros)**.

For Phase 2, for Buildings A, B, the Market Value as is, is rounded at **€7.060.000,00 (Seven million 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

Property's 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 property, 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 property's 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 asset 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

'Minion' building complex located at Building Block 73041, surrounded by the Satovriandou, Dorou, Verantzrou and 28th October (former Patision) Streets, area of Omonoia Square, in the Municipality of Athens, Regional Unit of Central Athens, Region of Attica

