



# Valuation Report

## Super Market

5-7 Lesvou Street, Halandri

Valuation Date: 1 May 2023

Report Date: 8 May 2023

TRASTOR REIC  
FOR THE ATTENTION OF MR GEORGE FILOPOULOS

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# Contents

Part I: Executive Summary ..... 4

Part II - Valuation Report ..... 7

Part III: Property Report..... 16

Part IV: Market Reports ..... 41

Part V: Terms of Engagement Letter..... 44

# Part I: Executive Summary

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External view of the property  
Frontage



Source: CBRE/ Axies SA

Internal view of the property  
Sales area



Source: CBRE/ Axies SA

## The Property

- Location: 5-7 Lesvou Street, Halandri
- Type of property: Self-contained building
- Use class: Super market

## Tenure

We were not provided by titles/tenures under which the property is held.

We have not performed any legal due diligence regarding the asset and we assume that no dispute related to ownership rights exists.

The valuation is undertaken on the assumption that the property is held freehold on a good and marketable title, free from any onerous or hampering restrictions or conditions that could adversely affect its value upon disposal.

## SWOT Analysis

STRENGTHS	WEAKNESSES
Good catchment area with medium to high income population	Lesvou Street is a neighbourhood road, while visibility from Ethnikis Antistaseos Street is limited
Easy accessibility via private means	
Provision of parking spaces on the basement floors	
Fully let to a well-established super market firm	
Good state of maintenance	
OPPORTUNITIES	THREATS
Despite the economic uncertainties, supermarkets have proved their substantial resilience against crises	Primary competition within a zone of 2 km
	High inflation rates reduce the purchasing power of some consumers, while increasing the expenses of the businesses
	Economic outlook for 2023 is still gloomy

## Valuation Methodology

According to the Greek Regulation (Government Gazette 949/31.7.2000) in cases of property valuation of REIC assets, two valuation methods are required for the fair value assessment.

Given the characteristics of the subject property we applied the Income Capitalisation Method, both as an Initial Yield approach (direct capitalisation of passing rent), we well as in the form a ten-year DCF analysis. The latter was undertaken using the “ARGUS Valuation-Capitalisation” software module.

The two values were then weighted by applying weighting factors, as dictated by the Hellenic Capital Market Commission. In this specific case the values were weighted by applying weighting factor 50% for each method.

## Fair Value under special assumption

€12,401,000 (TWELVE MILLION FOUR HUNDRED ONE THOUSAND EUROS)

“Fair Value” for the purpose of financial reporting under International Financial Reporting Standard 13, is a market - based measurement.

# Part II: Valuation Report

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## Valuation Report

<b>Report Date</b>	8 May 2023
<b>Valuation Date</b>	1 May 2023
<b>Market Condition</b>	We would draw your attention to the fact that a combination of global inflationary pressures, higher interest rates, the recent geopolitical events in Ukraine and the ongoing impact of the global COVID-19 pandemic in some markets has heightened the potential for greater volatility in property markets over the short-to-medium term. Past experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. You should note that the conclusions set out in this report are only valid as at the valuation date. Where appropriate, we would recommend that the valuation is closely monitored, as we continue to track how market participants respond to current market volatility.
<b>Addressee</b>	TRASTOR REIC For the attention of Mr George Filopoulos
<b>The Property</b>	Self-contained building along 5-7 Lesvou Street, in Halandri.
<b>Property Description</b>	Super market of 5,478.30 sqm GLA.
<b>Ownership Purpose</b>	Investment
<b>Instruction</b>	To value the unencumbered freehold interest in the property on the basis of Fair Value as at the valuation date in accordance with the terms of engagement entered into between AXIES and the addressee dated 12 April 2023.
<b>Capacity of Valuer</b>	External Valuer, as defined in the current version of the RICS Valuation – Global Standards.
<b>Purpose</b>	The valuation is to be used for Acquisition purposes only and no other purpose is permitted.



<b>Fair Value under special assumption</b>	<p>€ 12,401,000 (TWELVE MILLION FOUR HUNDRED ONE THOUSAND EUROS) exclusive of VAT.</p> <p>“Fair Value” for the purpose of financial reporting under International Financial Reporting Standard 13, is a market - based measurement.</p> <p>Our opinion of Fair Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using recent comparable evidence.</p>
<b>Special Assumptions</b>	<p>In view of the anticipated acquisition we were instructed by Trastor to value the property based on specific lease terms, as described in the not yet signed Lease HoT provided.</p> <p>This assumption is reasonable given that the new terms are similar to the existing agreement in terms of duration and rental level.</p>
<b>Compliance with Valuation Standards</b>	<p>The valuation has been prepared in accordance with the current version of the RICS Valuation – Global Standards, which incorporate the International Valuation Standards [“the Red Book”].</p> <p>We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently.</p> <p>Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within AXIES, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.</p> <p>This valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property.</p>

<b>Sustainability Considerations</b>	<p>Other valuers may reach different conclusions as to the value of the subject property. This valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the valuation date.</p> <p>Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.</p> <p>Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.</p>
<b>Assumptions</b>	<p>The property details on which the valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.</p> <p>If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figure may also be incorrect and should be reconsidered.</p>
<b>Variation from Standard Assumptions</b>	None
<b>Verification</b>	<p>We recommend that before any financial transaction is entered into based upon these valuations, you obtain verification of any third party information contained within our report and the validity of the assumptions we have adopted.</p> <p>We would advise you that whilst we have valued the property reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.</p>
<b>Valuer</b>	The property has been valued and inspected by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book.

<b>Conflicts of Interest</b>	We confirm that we have had no previous material involvement with the property and have no conflicts of interest – and that copies of our conflict of interest checks have been retained within the working papers.	
<b>Publication</b>	<p>Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval.</p> <p>Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.</p>	
	Yours faithfully	Yours faithfully
		
	<p>Nicholas Chatzitsolis, FRICS, CRE®</p> <p><b>RICS Registered Valuer</b> Managing Director</p> <p>For and on behalf of Axies SA Part of the CBRE Affiliate Network</p>	<p>Kelly Zolota, MRICS</p> <p><b>RICS Registered Valuer</b> Director, Investment Properties (CRE &amp; Hospitality)</p> <p>For and on behalf of Axies SA Part of the CBRE Affiliate Network</p>
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## Sources of Information and Scope of Works

<b>Sources of Information</b>	<p>We have carried out our work based upon information supplied to us by Mr. Alexandros Chrysofakis of Trastor REIC, which we have assumed to be correct and comprehensive. More specifically we were provided electronically with the following:</p> <ul style="list-style-type: none"> <li>▪ Lease agreement dated 14/6/2004 and amendments dated 16/6/2004 and 25/1/2012 between Ektasis Development and AB Vasilopoulos</li> <li>▪ Planning consent confirmation documents (No. 12379275) pursuant to the provisions of Law No 4495/2017 and dated 26/10/2021</li> <li>▪ Technical due diligence dated 1/7/2021 by Piraeus Real Estate</li> <li>▪ Floor plans signed by Civil Engineer I. Athanasiou, dated September 2021</li> <li>▪ Non signed Lease Head of Terms between Trastor REIC and AB Vasilopoulos</li> </ul>
<b>The Property</b>	Our report contains a brief summary of the property details on which our valuation has been based.
<b>The Inspection</b>	The property was internally inspected by Anastasia Tounta, MEng, REV, on April 26 <sup>th</sup> , 2023.
<b>Areas</b>	We have not measured the property but have relied upon the floor areas provided.
<b>Environmental Matters</b>	<p>We have not been provided with an environmental report.</p> <p>We have not carried out any investigations into the past or present uses of the property, nor of any neighboring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.</p>
<b>Services and Amenities</b>	We understand that all main services including water, drainage, electricity and telephone are available to the property. None of the services have been tested by us.
<b>Repair and Condition</b>	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the property. We are unable, therefore, to give any assurance that the property is free from defect.
<b>Town Planning</b>	We have made Planning enquiries only consulting the official website of the ministry e-poleodomia.gr. We cannot, therefore, accept responsibility for incorrect information or for material omissions in the information supplied to us.
<b>Titles, Tenures and Lettings</b>	Details of title/tenure under which the property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the

	<p>interpretation of the documents of title [including relevant deeds, leases and planning consents] is the responsibility of your legal adviser.</p> <p>We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.</p>
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## Valuation Assumptions

<b>Capital Values</b>	<p>The valuation has been prepared on the basis of "Fair Value" (in accordance with International Financial Reporting Standard (IFRS) 13), which is defined as:</p> <p>"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."</p> <p>"Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", which is defined as:</p> <p>"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p> <p>The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.</p> <p>No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.</p> <p>No account has been taken of the availability or otherwise of capital based Government or European Community grants.</p>
<b>Rental Values</b>	<p>Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:</p> <p>"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p>
<b>The Property</b>	<p>Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.</p> <p>Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.</p> <p>Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.</p> <p>All measurements, areas and ages quoted in our report are approximate.</p>
<b>Environmental Matters</b>	<p>In the absence of any information to the contrary, we have assumed that:</p> <p>[a] the property is not contaminated and is not adversely affected by any existing or proposed environmental law;</p> <p>[b] any processes which are carried out on the property which are regulated by environmental legislation are properly licensed by the appropriate authorities.</p> <p>[c] the Property meets with current Environmental Performance requirements.</p>

	<p>[d] the property is either not subject to flooding risk or, if it is, that sufficient flood defenses are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.</p>
<b>Repair and Condition</b>	<p>In the absence of any information to the contrary, we have assumed that:</p> <p>[a] there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the property;</p> <p>[b] the property is free from rot, infestation, structural or latent defect;</p> <p>[c] no currently known deleterious or hazardous materials or suspect techniques have been used in the construction of, or subsequent alterations or additions to, the property; and</p> <p>[d] the services, and any associated controls or software, are in working order and free from defect.</p> <p>We have otherwise had regard to the age and apparent general condition of the property. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.</p>

# Part III: Property Report

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## Property Details

### Situation

The Property is situated along 5-7 Lesvou and Adrianou Streets in Halandri, in the building block No. 627 which further borders with Lefkados and Apostolopoulou Streets. The property is partially visible from Ethnikis Antistaseos Street, although it does not offer frontage along it. The area between the property and Ethnikis Antistaesos Street is currently used as plant nursery.

### Location

Halandri is a Municipality of the northern suburbs of Athens, lying at a distance of approximately 7 km from Athens city centre.

It is a middle to high class suburban area, which borders with the residential area of Neo Psyhiko. The area is mainly characterized by residential uses, apart from the main thoroughfares, such as Ethnikis Antistaseos Street and Kifisias Avenue where commercial uses prevail. The built environment also combines newly-built (constructed after 00's) multi-storey blocks of flats together with detached houses of old construction.

Ethnikis Antistaseos Street with a length of 1.7 km is a main thoroughfare of the area, connecting Kifisias Avenue with the centre of Halandri. Among the most known establishments along Ethnikis Antistaseos Street are the Canadian and Japanese Embassies, the Vodafone office building and the Mc Donalds restaurant.

Access to the property is achieved either by car or bus that cross Ethnikis Antistaseos Street, while the nearest metro stations are "Holargos" to the SW and "Nomismatokopio" to the SE, both at a distance of about 2 km.

A location map is attached at Appendix A.

### Description

The property comprises a three-storey self-contained building with two basements that has been erected upon a land plot of 2,062.00 sq m. The land plot borders to the S with Lesvou Street and to the W with Adrianou Street.

The building is of reinforced concrete frame and was constructed according to building permit No. 1181/2004 and its amendment No. 655/2005.

The super market sales areas occupy the ground and the first floor, while ancillary and office areas are accommodated on the second floor. The two basements of the building accommodate parking spaces and mechanical installations.

Regarding the connection between the levels, an escalator is connecting the ground floor with the 1st floor and two elevators and one staircase connect the basements with the ground floor. Besides, there is also one staircase connecting all upper ground levels and one freight elevator.

All main sales areas are covered with ceramic tiles, while parking and ancillary areas feature industrial flooring.

The main entrance to the property, as well as entrance/exit to the parking is achieved via Adrianou Street, where there is also an ATM.

## Services and Amenities

We understand that the property is located in an area served by mains gas, electricity, water and drainage.

## Accommodation

In preparing our valuation, we have relied upon the floor areas provided to us as being accurate and capable of meeting prevailing Building Regulations and measured in accordance with Market Practice.

We set out the areas of the property:

FLOOR	USE	GROSS LETTABLE AREA (SQ M)	STAIRCASES (SQM )	NET LETTABLE AREA (SQ M)
Basement 2	Parking	1.680,74		1.680,74
Basement 1	Parking	1.689,38		1.689,38
Ground floor	Retail	846,04	29,81	816,23
1st floor	Retail	774,61	29,81	744,80
2nd floor	Office / Aux	443,65	42,31	401,34
<b>Subtotal - Below ground</b>		<b>3.370,12</b>		<b>3.370,12</b>
<b>Subtotal - Above ground</b>		<b>2.064,30</b>		<b>1.962,37</b>
<b>Grand total</b>		<b>5.434,42</b>		<b>5.332,49</b>

Source: Floor plans, dated September 2021, signed by Engineers Athanasiou & Liakopoulos

## State of Repair

AXIES have not undertaken a structural survey, nor tested the services. We have not been supplied with a survey report prepared by any other firm. We have undertaken only a limited inspection for valuation purposes.

## Environmental Considerations

We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.

We have been instructed not to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.

## Energy Performance

We have not been provided with an Energy Performance Certificate (EPC) for this property, we recommend however that you should ensure that the property should have an EPC that conforms to EU legislation.

## Town Planning

We were not provided with any site plan, however we were provided with a TDD, based on which the basic terms of town planning are the following:

- Building Coefficient: 0.90 for the area up to 600 sqm and 0.80 for the area above 600 sqm
- Coverage Coefficient: 40%

Based on the planning consent confirmation documents provided, certain parts of the property have been settled and legalized according to Law 4495/2017.

In summary, we are not aware of any issues which would adversely impact upon the value of the property.

## VAT

We have not been advised whether the property is elected for VAT.

All values stated in this report are exclusive of VAT.

The Greek VAT rate is currently 24%.

# Legal Considerations

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## Title and Tenure

We were not provided by titles/tenures under which the property is held.

We have not performed any legal due diligence regarding the asset and we assume that no dispute related to ownership rights exists.

The valuation is undertaken on the assumption that the property is held freehold on a good and marketable title, free from any onerous or hampering restrictions or conditions that could adversely affect its value upon disposal.

## Tenancies

As at the valuation date the property was let to AB Vasilopoulos super market chain with an unexpired lease term of 2.25 years. We have been provided with a copy of the occupational lease and it's amendments and we summarise below the main terms of the lease:

Lessor	Ektasis Development
Tenant	AB Vasilopoulos
Term	20 years from 3 August 2005
Break clause	-
Current rent	€898,248 per annum
Indexation	CPI

For the purposes of this valuation and in view of the anticipated acquisition we were instructed by Trastor to take into account the terms described in the non-yet signed Lease HoT provided.

Lessor	Trastor REIC
Tenant	AB Vasilopoulos
Term	30 years from 1 June 2023
Break clause	Without break clause for 8 years
Current rent	€900,000 per annum
Indexation	CPI+2% ≤ 2%

Based on the provided information it is evident that the rent remains at the same levels, with the main difference being the indexation.

# Occupational Market Commentary



## Occupational Market

### Competition

Given the property's characteristics in terms of size, accessibility and consumers' profile we have identified the primary and secondary competition.

Primary competitors are:

No.	Brand	Address	Distance by car (km)
1	Sklavenitis	48 25is Martiou, Neo Psihiko	1.2
2	AB	N228, Kifisias Avenue, Psihiko	2
3	AB	D. Plakentias, Zinonos, Halandri	2

Secondary competitors are:

No.	Brand	Address	Distance by car (km)
1	Small Market	35 Eth. Antistaseos, Halandri	0.45
2	OK Markets	75 Eth. Antistaseos, Halandri	0.45
3	AB City	17 Chiou, Halandri	0.9
4	Masoutis	75 Sofokli Venizelou, Halandri	1.1
5	Small Market	49 Palaologou, Halandri	1.1
6	Bazaar	20 Karaoli Dimitriou, Halandri	1.2
7	S/M Kritikos	Psaron & Aristotelous, Halandri	1.3
8	Masoutis	22 Zoodochou Pigis, Halandri	1.7
9	OK Market	61-63 Agias Paraskevis, Halandri	1.9

### Rental evidence

The super market sector is a special part of the real estate market as there is limited supply for self-contained ready-to-use super market units. In most cases the buildings are purpose-built following clients' specific requirements. Thus, for the purposes of this report we did not manage to collect information from properties that are currently offered for rent in the market.

We collected however information from properties that are currently let to super market chains, according to which we notice that rents in the sector exhibit a wide range. The main drivers of the rent levels are the catchment area, the visitors' profile, the accessibility, size, facilities provided and competition.

More specifically, rents for supermarkets in prime locations with good catchment area, may exceed €40/main use sqm/month, however, the situation is different when it comes to local shops, where rents range between €10/main use sqm/month and €20/main use sqm/month.

Table of rental evidence is attached at Appendix C.

# Investment Market Commentary

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## Investment Evidence

Despite the fact that supermarkets have proved their substantial resilience against crises, which combined with the long-term leases and high covenant strength of most occupiers make the sector appealing to investors, investment transactions are not very often. The main reason is the rather limited supply of properties that are offered for sale.

In forming our opinion of yield and value we took into account the following transactions:

- In Q1 2023, Trade Estates acquired from Ten Brinke Hellas the commercial park of Kennedy Square in Halandri at a gross yield of 8.5%/. The property is fully let to AB Vassilopoulos and McDonalds.
- In Q2 2022, Grivalia sold 9 “The Mart” hypermarkets at a gross yield 7%. The properties were acquired by the tenant.
- In Q3 2021, ICI announced the acquisition of a Sklavenitis hypermarket in Pikermi. The acquisition price was €8,1 m, resulting in a gross yield of 7.02%.
- In Q1 2021, Pasal Development (now Premia Properties) announced the acquisition of a AB Vasilopoulos supermarket in Peania. The acquisition price was €2,52 m, resulting in a gross yield of 7.4%
- In Q1 2020, Orilina REIC acquired the Sklavenitis hypermarket in Ampelokipoi at a gross yield 6.25% and a price of €26,8 m.

# Valuation Considerations

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## VALUATION METHODOLOGY

According to the Greek Regulation (Government Gazette 949/31.7.2000) in cases of property valuation of REIC assets, two valuation methods are required for the fair value assessment.

Given the characteristics of the subject property we applied the Income Capitalisation Method, both as an Initial Yield approach (direct capitalisation of passing rent), as well as in the form of a ten-year DCF analysis. The latter was undertaken using the “ARGUS Valuation-Capitalisation” software module.

The two values were then weighted by applying weighting factors, as dictated by the Hellenic Capital Market Commission. In this specific case the values were weighted by applying weighting factor 50% for each method.

### Income capitalization - Discounted Cash Flow

The Discounted Cash Flow (DCF) valuation approach is considered the most appropriate in cases of income generating assets. This methodology allows us to model assumptions over time and factor in variances in landlord non recoverable costs.

This method is based on discounting the net future cashflows generated by a property over the assumed holding period, and then a deemed disposal of the asset at the end of the ten year period (the exit value) – in cases of freehold assets.

The exit value is calculated by capitalizing the net income stream assumed receivable at the beginning of exit year at an exit cap rate. The net future cashflows over the holding period are calculated by starting with the assumed gross income stream and working back to the net income stream (where non recoverable costs are available).

In establishing the gross income stream we reflect current rents payable to lease expiry (or break if activated) at which point we assume the property will be relet at our opinion of market rent. Where properties/units are vacant we assume a void period prior to assuming that they will be let. In order to arrive at a net income stream certain items of landlord non recoverable expenditure are deducted from the gross rental income, such as insurance costs, property tax, non-recoverable service charges, etc.

Within the DCF Approach, the expected future cash flows are determined for a given period of time (usually ten years), reflecting:

- every income change resulting from any unexpected and/or expected changes in the market,
- the effects of wear and tear of a property to cash flows or capital expenditure for large scale conversions or replacement of equipment,
- periods that the property/part of it may not produce income and possibly the costs involved during these periods (costs borne by the property and/or taxes)
- possible refurbishment of the property and all necessary improvements, and finally
- prevailing market conditions and the projected evolution of the property as an investment at the end of the holding period.

The net cashflow proceeds are then discounted at a target rate of return which reflects the overall rate of return that an average investor is targeting. The Net Present Value resulting from the Discounted Cash Flow approach is equal to the sum of the discounted future cash flows and the discounted reversion value (sale value) of the asset at the end of the ten-year holding period. Any items of one off capital expenditure are also deducted at this stage.

Our valuation was undertaken using the “ARGUS Enterprise” software module, which allows us to generate accurate and detailed cash flows using lease by lease modelling, apply market assumptions across individual assets and portfolios, model changes to expenses, revenues and capital expenditures, run what-if scenarios using intuitive sensitivity tools. Argus Enterprise enables us to apply multiple income valuation methods across any asset or portfolio.

Regarding the valuation inputs, they are based on local market evidence, which are adjusted to relate to the specific characteristics of each Property, while our cash flow assumptions are based on a combination of market norms and economic indicators provided by respected economic forecasters (Oxford Economics).

### **“Traditional” Income Capitalisation Method (Initial Yield)**

The Initial Yield method applies a capitalisation rate to the current rental income at the valuation date and values this income into perpetuity. The capitalization rate adopted, usually known as ARY (all risks yield) incorporates all risks attached to the particular property, i.e. liquidation potential, income uncertainty and time factor. This method effectively ignores future changes in income. An Initial Yield valuation is therefore calculated as follows:

$GV = NI \times \text{Years Purchase into perpetuity}$

$$GV = NI \times \frac{1}{i}$$

Where:

GV = gross unrounded capital value

NI = net current rent per annum

i = initial yield

## **IMPLEMENTATION OF INCOME CAPITALISATION METHOD (DISCOUNTED CASH FLOW)**

### **Income summary**

The gross rental income for the first year of our valuation cash flow is € 899,854 and ends up at € 1,280,300 in 2033.

### **Cost summary**

For the purposes of this valuation, we have not made any allowances for any type of non-recoverable costs. Besides, we have not made allowances for leasing fees and CAPEX as the property will be let throughout the 10-year cashflow.

### **Opinion of market rent**

Following local market research and after we took into account:

- The property's specific location and accessibility
- Its visibility and layout
- Its size and use
- The proportion of main use and ancillary areas to total area
- Its state of maintenance and construction specifications
- The levels of demand and supply in this particular area

We have made all the necessary adjustments, and we adopted a unit rate of € 45.00/ sq m/ month for the main use (retail) GF and 1st floor areas, while the ancillary areas are incorporated in the abovementioned rate. Thus, we arrive to a monthly rent of € 72,929, which is considered reasonable and aligned with the range of comparable evidence presented at Appendix C.

The basic lease terms that currently reflect the open market for similar mixed use properties in similar locations are:

CATEGORY	PROVISIONS
Condition of building	Hot shell, excluding tenants' fixtures and special trade fittings
Lease term	Typical super market term is more than 15 years
Break option	In most super market leases, there is a minimum term that there is no break option
Indexation	Annual, CPI-based
Guarantee	Two monthly rents
Repairs	Landlord or tenant depending on the nature of the damage
Insurance & maintenance cost	Tenant

### Void periods and re-lettability

We have not taken into consideration void periods as the property will be let throughout the 10-year cashflow.

### Passing rent indexation and rental growth

Based on the new HoT provided, the rent will be indexed according to CPI+2% throughout the lease term.

According to Oxford Economics CPI is not expected to exceed 1.9% by 2033, as presented at the following table:


YEAR	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
CPI	4.10%	1.80%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%

### Opinion of exit yield

Having regard to the property's characteristics and use class, we have adopted an exit cap rate of 7.75% for the capitalization of the Year 10 NOI. The abovementioned figure is an estimate and has been determined after taking into consideration the characteristics of the property, as well as the future prospects for the economy and the property market in general (as forecasted by Oxford Economics).

## Discount rate

The discount rate is the rate of return that serves to convert the sum of all future cash flows over some holding period into their present value equivalents. This requires accounting for both the time value of money and the risk premium of the specific future cash flows. Thus, the discount rate could be broken into a risk-free interest component (namely the time value of money) and a risk premium component, as described below:

- Risk free rate (RF),
  - Market risk (including liquidity risk upon sale, uncertainty to forecast rental growth and yield shift, as well as risks related to economic changes over time),
  - Specific risk related to the properties (including covenant risk, void risk, differing lease structure risk and risk related to ownership)
- 

Taking into consideration the above-mentioned factors we adopted a discount rate in the order of 10.00% throughout the 10-year cash flow.

## IMPLEMENTATION OF INITIAL YIELD APPROACH

### Rental income & opinion of yield

Given that the rent mentioned in the HoT provided is similar to the passing rent, for the implementation of Initial Yield approach we capitalised the amount of €900,000/year at a yield of 7.50%, which is considered fair for the super market sector as described in the relevant paragraph with investment comparables.

## SWOT Analysis

STRENGTHS	WEAKNESSES
Good catchment area with medium to high income population	Lesvou Street is a neighbourhood road, while visibility from Ethnikis Antistaseos Street is limited
Easy accessibility via private means	
Provision of parking spaces on the basement floors	
Fully let to a well-established super market firm	
Good state of maintenance	
OPPORTUNITIES	THREATS
Despite the economic uncertainties, supermarkets have proved their substantial resilience against crises	Primary competition within a zone of 2 km
	High inflation rates reduce the purchasing power of some consumers, while increasing the expenses of the businesses
	Economic outlook for 2023 is still gloomy

# Opinion of Value

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## Fair Value Under Special Assumption

We are of the opinion that the Fair Value of the freehold interest in the property located at 5-7 Lesvou Street in Halandri, as at 1 May 2023 is:

“Fair Value” for the purpose of financial reporting under International Financial Reporting Standard 13, is a market - based measurement.

€12,401,000 (TWELVE MILLION FOUR HUNDRED ONE THOUSAND EUROS)

### Key valuation input & output

PROPERTY	5-7 LESVOU STREET, HALANDRI		
Tenant	AB VASSILOPOULOS		
Occupancy	100 %		
Total upper ground floor area (sqm)	2,064.30		
Total basement area (sqm)	3,370.12		
Total GLA (sq m)	5,434.42		
Gross income as of 1 May 2023 (per annum)	€ 898,248		
Gross income Year 1 (per annum)	€ 899,854		
Net income Year 1 (per annum)	€ 899,854		
ERV as of 1 May 2023 (per annum)	€ 875,151		
Fair value according to DCF approach			
DCF exit year	1-May-33		
NOI to capitalize at exit	€ 1,280,300		
Exit cap rate	7.75%		
Discount rate	10.00%		
Present value of the freehold interest	€ 12,801,617		
Year 1 gross yield	7.03%		
Reversionary yield	6.84%		
Running yield	7.03%	-	10.00%
Fair value according to Initial Yield approach			
Fair value according to Direct Cap	€ 12,000,000		
Weighting of the two methods (50%/50%)			
Weighted fair value (€)	€ 12,400,808		

## Sensitivity analysis based on DCF valuation

Fair value change - Yield profile

DISCOUNT RATE	EXIT CAP RATE					
		7.25%	7.50%	7.75%	8.00%	8.25%
	9.50%	€ 13,672,884	€ 13,443,479	€ 13,228,874	€ 13,027,683	€ 12,838,685
	9.75%	€ 13,446,857	€ 13,222,625	€ 13,012,859	€ 12,816,204	€ 12,631,467
	10.00%	€ 13,225,852	€ 13,006,664	€ 12,801,617	€ 12,609,385	€ 12,428,805
	10.25%	€ 13,009,739	€ 12,795,471	€ 12,595,027	€ 12,407,109	€ 12,230,582
	10.50%	€ 12,798,394	€ 12,588,925	€ 12,392,969	€ 12,209,261	€ 12,036,688

Exit cap rate - Discount rate

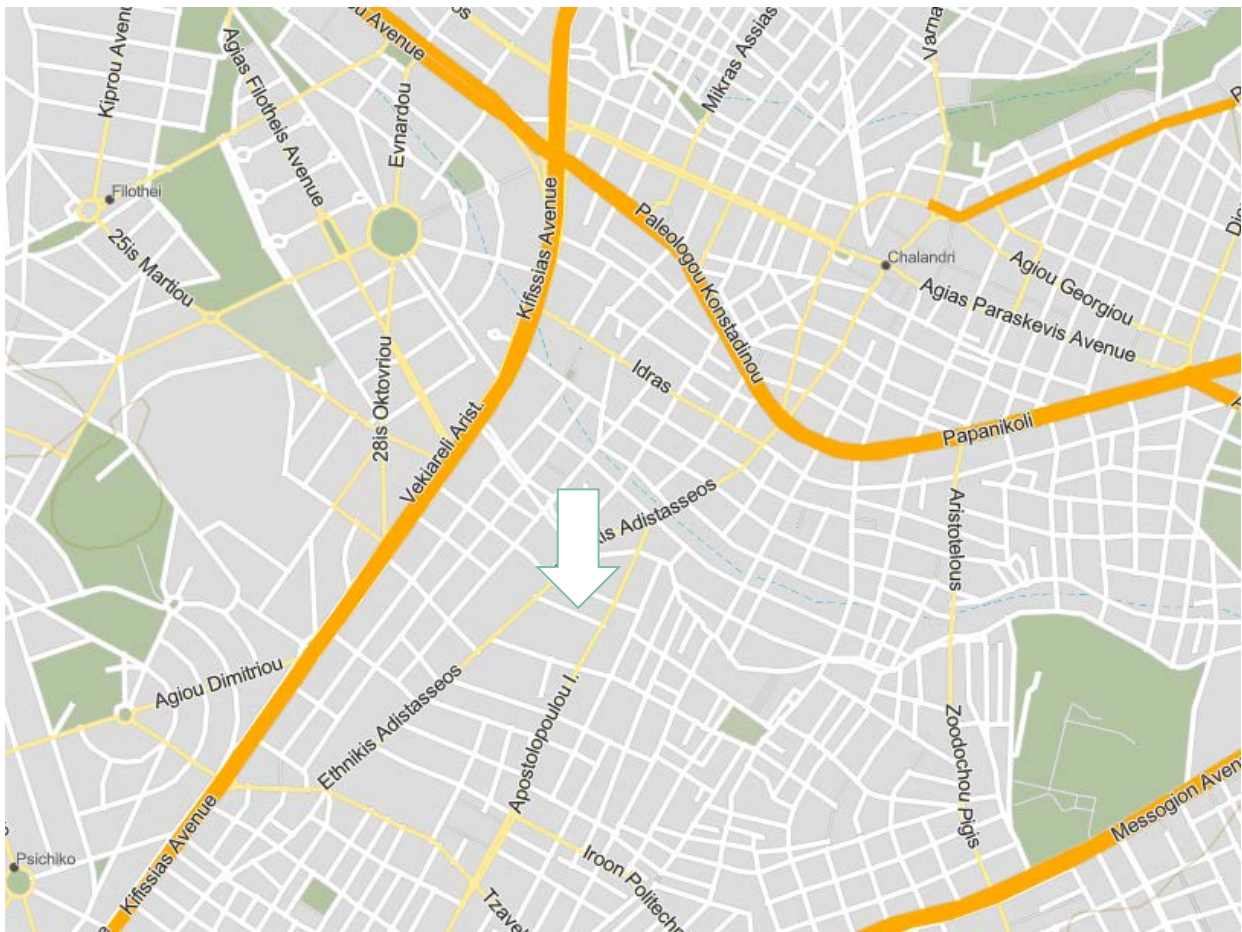
FAIR VALUE CHANGE (%)	FAIR VALUE (€)	YEAR 1 GROSS YIELD	REVERSIONARY YIELD
-10%	€ 11,521,455	7.81%	7.60%
-5%	€ 12,161,536	7.40%	7.20%
<b>0%</b>	<b>€ 12,801,617</b>	<b>7.03%</b>	<b>6.84%</b>
5%	€ 13,441,698	6.69%	6.51%
10%	€ 14,081,778	6.39%	6.21%

# Appendixes

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## Appendix A: Location Plans

### Map



## Appendix B: Photographs

External view of the property  
Frontage



Source: CBRE/ Axies SA  
Internal view of the property  
Sales area



Source: CBRE/ Axies SA  
Internal view of the property  
Storage (2nd floor)

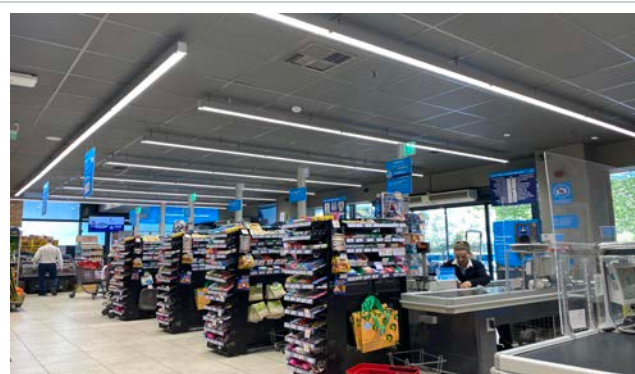


Source: CBRE/ Axies SA

Internal view of the property  
Sales area



Source: CBRE/ Axies SA  
Internal view of the property  
Sales area



Source: CBRE/ Axies SA  
Internal view of the property  
Parking spaces



Source: CBRE/ Axies SA



## Appendix C: Comparable rental evidence of super markets

COMPARABLES ANALYSIS- RENTAL EVIDENCE								ADJUSTMENT FACTORS								
#	TYPE	LOCATION	BRIEF DESCRIPTION	GLA (SQ M)	MAIN USE AREA (SQ M)	MONTHLY RENT (€)	UNIT RENTAL VALUE (€/SQ M-MAIN USE/MONTH)	TYPE OF TRANSACTION	LOCATION	VISIBILITY	MAIN USE AREA (SIZE)	EXTRA AMENITIES	CONSTRUCTION SPECIFICATIONS & LAYOUT	TOTAL WEIGHTING	FINAL UNIT RATE - FOR GBA (€/SQ M/MONTH )	SOURCE
1	Passing rent/ Q1 2023	Psyhiko	Basement main use 791.9sqm Groundfloor main use 904.42sqm 1st floor main use 664.75sqm 2nd floor auxillary 749.31sqm 3rd floor auxillary 277.70sqm	3,388.08	2,361.07	153,366.00	64.96	0%	-5%	-10%	10%	0%	0%	-5%	61.71	Atria property services
2	Passing rent/ Q1 2023	Vrilissia	Basements 3.000sqm Ground floor 915.03sqm 1st floor 616.89 sqm	4,531.92	1,326,29	49,864.42	37.60	0%	10%	0%	0%	0%	0%	10%	41.36	Atria property services
3	Passing rent/ Q1 2023	Marousi	GLA 3360.19 sqm Main use area 1278.93 sqm	3,306,19	1,278,93	49,700.00	38.86	0%	0%	-5%	0%	0%	5%	0%	38.86	Atria property services
4	Passing rent/ Q1 2023	Kifissia	Basement B ancillary 56 sqm Basement A 490.22 Ground floor 490.22 1st floor 490.22sqm 2nd floor 490.22 sqm	2,016.88	1,960.88	71,000.00	36.21	0%	-10%	-10%	0%	10%	0%	-10%	32.59	Atria property services
Rounded average															45.00	

## Appendix D: Valuation Printout

### Income capitalization – DCF approach

5-7 LESVOU STREET, HALANDRI	VALUATION AS OF	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	EXIT VALUATION
AB VASSILOPOULOS	1-May-23	MAY 23 - APR 24	MAY 24 - APR 25	MAY 25 - APR 26	MAY 26 - APR 27	MAY 27 - APR 28	MAY 28 - APR 29	MAY 29 - APR 30	MAY 30 - APR 31	MAY 31 - APR 32	MAY 32 - APR 33	May-33
1. AB Vasilopoulos		899,854	942,368	979,541	1,017,697	1,057,387	1,098,626	1,141,472	1,185,989	1,232,243	1,280,300	
Rent free period		0	0	0	0	0	0	0	0	0	0	
Total Rental Income		899,854	942,368	979,541	1,017,697	1,057,387	1,098,626	1,141,472	1,185,989	1,232,243	1,280,300	
Total non-recoverable expenses		0	0	0	0	0	0	0	0	0	0	
<b>Net Operating Income (NOI)</b>		<b>899,854</b>	<b>942,368</b>	<b>979,541</b>	<b>1,017,697</b>	<b>1,057,387</b>	<b>1,098,626</b>	<b>1,141,472</b>	<b>1,185,989</b>	<b>1,232,243</b>	<b>1,280,300</b>	
Gross exit value @ 7.75%												16,520,000
Less purchase cost @ 1.50%												-244,138
Net exit value												16,275,862
Disposal costs @ 0.50%												-81,379
Adjusted net value												16,194,483
Annual cash flow before taxes & debt service		899,854	942,368	979,541	1,017,697	1,057,387	1,098,626	1,141,472	1,185,989	1,232,243	1,280,300	16,194,483
<b>Net present value of the freehold interest @ 10.00%</b>		<b>12,801,617</b>										
Acquisition fees @ 1.5%		-192,024										
Total capital expenditure		12,993,641										
Running yield		7.03%	7.36%	7.65%	7.95%	8.26%	8.58%	8.92%	9.26%	9.63%	10.00%	

## Income capitalization – Initial Yield approach

PASSING RENT (€/MONTH)	PASSING RENT (€/ANNUM)	YIELD (%)	FAIR VALUE (€)
75,000	900,000	7.50%	<b>12,000,000</b>

## Weighted Value

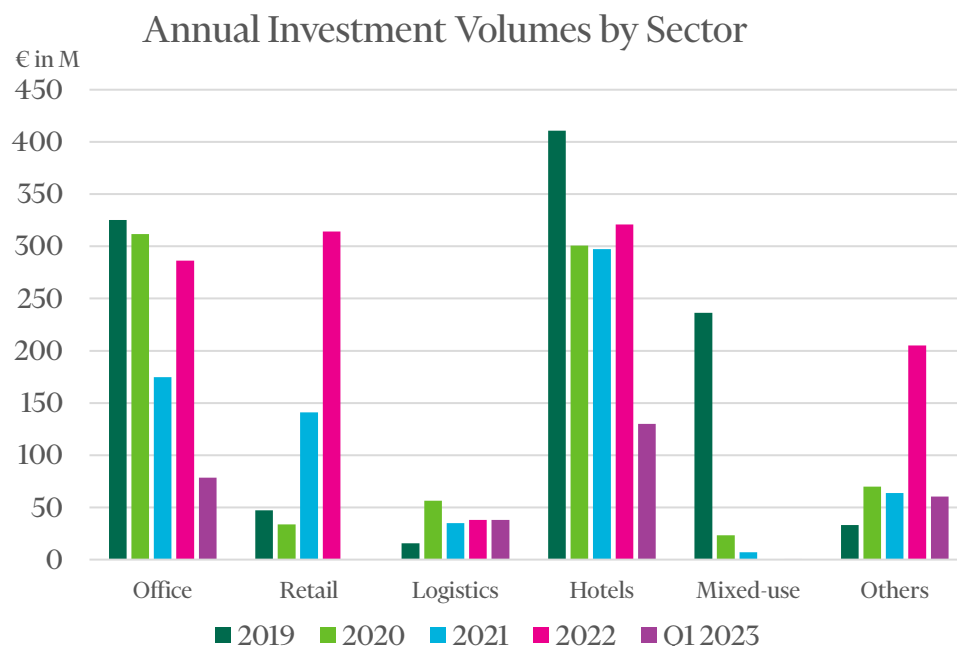
VALUATION METHOD	VALUE (€)	WEIGHTING FACTOR
Income capitalisation (Direct Cap)	12,000,000	50%
Income capitalisation (DCF)	12,801,617	50%
<b>Weighted fair value</b>	<b>12,400,808</b>	



# Part IV: Market Report

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## Greece Real Estate Investment Volumes Q1 2023

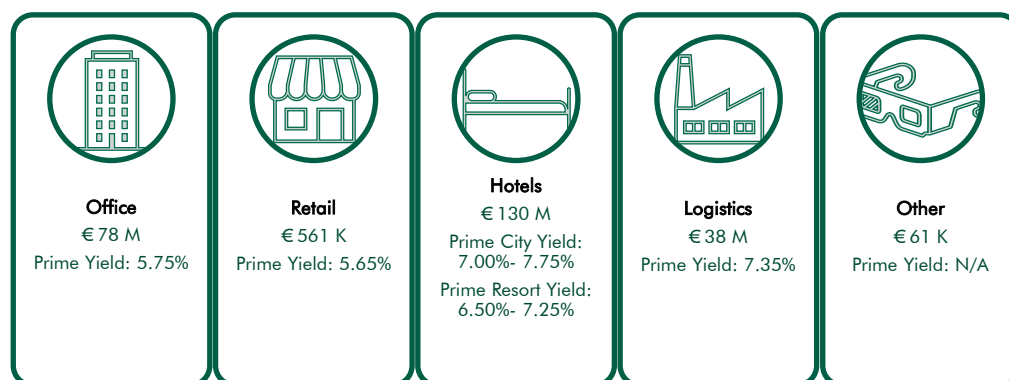


Commercial real estate investment volumes more than doubled in Q1 2023 compared to the respective quarter the year before, reaching € 308 M. This was the strongest year start since the €295 M in Q1 2019. The robust performance was fueled by several notable core sales, including those of Goldman Sacks and Grivalia Investment. Domestic buyers were once again the more active buyers' group, with a number of new foreign entrants in the Greek market, focusing on the hotel sector. Yields and capital values remained relatively stable compared to the previous quarter in almost all sectors.

Hotel sector had a record-breaking start to the year, accounting for 42.25% of total volume. As the impact of Covid receded, consumer spending and travel increased again. Accordingly, Investors' sentiment remained strong for the hotel sector. High expectations on ADR and RevPAR are expected to offset labor supply shortages and increased operational expenses.

Office sector comes after, comprising 25.50% of total investment volume. Investors were focused on prime sustainable assets and competition for those remained high. On the other hand, lower quality assets attracted less interest as investors assessed the level of capex required in bringing these assets up to sustainable standards. Inflation affecting capital budgeting (standing below 5% in March for the first time after 12 months) poses a serious threat especially for secondary sector.

Following the trend of Q1 2022, 12.38% of total investments were deployed in the industrial sector. Investors' interest was underpinned by expectations of rental growth resulting from low vacancy rates and continued occupier demand, much of it fueled by e-commerce activity. On the other hand, retail was the only sector that was down for this year's Q1.



# Part V: Engagement Letter

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## **SERVICE AGREEMENT**

In Athens, today the April 12<sup>th</sup>, 2023, between:

- **On the one part:** Trastor REIC, a company registered in Athens, Greece, having its registered office in Athens, 5 Chimarras street, with Tax Id No: EL099554901, Local Tax Office: FAE ATHINON, lawfully represented by Mr. Tassos Kazinos, Managing Director, (Thereafter referred to as "the Client"), (Thereafter referred to as "the Client")
- **On the second part:** "AXIES S.A. Chartered Surveyors and Valuers", a company registered in Athens, Greece, having its registered office in Athens, 4 Sekeri street, with Tax Id No: EL999635558, Local Tax Office: FAE ATHINON, lawfully represented by Mr. Nicholas Chatzitsolis, Managing Director, (Thereafter referred to as "AXIES") (AXIES together with the Client, referred hereinafter as the "Parties" or each one of them as "Party").

### **BOTH PARTIES AGREE TO ENTER INTO THIS AGREEMENT UNDER THE FOLLOWING TERMS AND CONDITIONS:**

#### **1. SCOPE**

- 1.1.** The Client instructs AXIES, and AXIES accepts to complete, the following services:  
«Fair value assessment as of April 1<sup>st</sup> 2023 of an investment property located at 5-7 Lesvou Street, in Chalandri, Attica, Greece, for acquisition purposes. The property is a supermarket comprising of ground floor (816.20 sq m), 1<sup>st</sup> floor (816.20 sq m), 2<sup>nd</sup> floor (401.50 sq m) and two basements (1,722.20 sq m each). Based on information provided the property is currently let to AB Vasilopoulos» (Thereafter referred to as the "Services").
- 1.2.** The Services will be executed according to our emails dated April 10<sup>th</sup>, 2023 (The "Proposal") and April 11<sup>th</sup> 2023 (The "Acceptance") and which form an integral part of this Service Agreement.
- 1.3.** AXIES will carry out a full valuation report based on the guidelines of:
  - a. The Royal Institution of Chartered Surveyors (RICS), Great Britain
  - b. The European Valuation Standards, TEGoVA

**1.4.** The valuation will be prepared on the basis of "Fair Value" (in accordance with International Financial Reporting Standards), which is defined as "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

"Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", which is defined as "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." RICS Valuation Global Standards, 2022 (The Red Book).

## **2. TERM OF AGREEMENT**

The Services will be completed by AXIES and delivered to the Client on 5 May 2023.

## **3. INFORMATION REQUIREMENTS**

The information wish list is attached as "Appendix A".

## **4. FINANCIAL AGREEMENT – REMUNERATION – FEES**

The Client shall pay to AXIES for the Services rendered according to the present Agreement, a lump-sum fee of € 1,200 payable upon completion of the Services and delivery of the valuation report to the Client. The above-mentioned fee is subject to VAT 24%.

In order to receive the fee AXIES will issue the relevant invoice.

## **5. GENERAL PROVISIONS**

**5.1.** Any amendment of this Agreement shall be in writing.

**5.2.** Neither Party may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party.

**5.3.** In the event any clause of this Agreement is held void or invalid, the remaining provisions shall remain in full force and effect. The Parties shall negotiate in good faith any amendment, to their mutual satisfaction, of those clauses declared void or invalid or any replacement of such clauses by other similar and valid terms.

## **6. GOVERNING LAW & JURISDICTION**

This Agreement and any disputes or claims arising out of or in connection with its subject matter are governed by and construed in accordance with the laws of the Hellenic Republic. The Parties irrevocably agree that the courts of Athens, Greece shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement.



## 7. CONFIDENTIALITY

Neither Party may, without the written consent of the other Party, during or after the term of this Agreement, disclose for whatever reason to third parties, except to the Relying Parties, publish or allow the publication of, any information which has been submitted to such Party under this Agreement or under the Reports (unless in accordance with this Agreement) or which has become known during the performance of this Agreement.

The obligation of confidentiality shall not apply to any information that either Party is required by law or regulation, or, by the requirements of any regulatory, administrative, judicial, audit authority or by specific professional standards to disclose or information which becomes known to the general public without breach of this Agreement.

## 8. ENTIRE AGREEMENT

The present Agreement, including its appendix, contains the express agreement between the Parties regarding the purpose hereof, and replaces any verbal or written agreement between the Parties existing prior to the execution of this Agreement.

This Agreement is executed in two copies, each of which shall be deemed an original and shall be deemed to be effective as of the date hereof.

### THE PARTIES

**AXIES S.A**

  
**ΑΞΙΕΣ Α.Ε.**  
Ανάπτυξη Έργων Ορεινών  
Προσπελάσιμων & Εκπαιδευτικών  
Χαλκίδα Τ.Κ. 21100  
Τηλ. 210 279248  
Fax 210 279182  
TIN 090554901  
Α.Μ.Α.Ρ. 55757/01/8/05/64

**Nicholas Chatzitsolis**

**Trastor REIC**

**TRASTOR R.E.I.C.**  
HCMC Licence No 5/266/14.3.2003  
5, Chimarras street, Maroussi, GR 15125 Athens  
GRC No 3548801000  
T.I.N. 090554901 | TAX Office: P&E Athinon  
T +30 210 69 10 016, F +30 210 33 11 956

**Tassos Kazinos**

## **APPENDIX A**

### **Legal & financial documentation**

- Title deeds
- Tenancy agreements, Heads of Terms, Amendments, Renewals

### **Technical documentation**

- Building permits or other documentation related to the status of the property
- Floor plans
- Footprint diagrams
- Schedule of accommodation
- Site plans
- Any submissions to Law 4495/2017 or previous laws for any arbitrary surface areas
- Any other documents you wish us to take into account in our valuation.

For more information:

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#### COVERAGE

- Valuation of all real estate asset classes
- Site development appraisal
- Valuation of property portfolios
- Valuation of non-serviced mortgage/business loan portfolios
- Valuation of plant and machinery
- Planning research
- Property market research
- Condition surveys

[www.cbre-axies.gr](http://www.cbre-axies.gr)