Fair Value Valuation Report of

the "Mediterranean Cosmos" Shopping Centre, Municipality of Pylea, Regional Unit of Thessaloniki, Region of Central Macedonia, Greece

Critical Valuation Date: 30-06-2019

RICS KENTRIKI An International Associate of Savills

19.07.2019
Ref: 1266.3/2019

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Dear Sirs,

In accordance with the Contract dated 1st July 2019, we have inspected the property and made such enquiries as are sufficient to provide you with our opinion of value on the basis stated below.

We draw your attention to our accompanying Report together with the General Assumptions, Special Assumptions and Conditions upon which our Valuation has been prepared, details of which are provided at the rear and in the relevant sections of our report.

We trust that our report meets your requirements; however, should you have any queries, please do not hesitate to contact us.

Yours faithfully,

For and on behalf of Kentriki Property Valuers & Consultants Private Company
with distinctive title Savills Hellas Private Company

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RICS Registration (1152810),
TCG Member (54176),
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RICS Registration (6550102),
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Associate Director

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1. Instructions and Terms of Reference

1.1.1. Instructions and Basis of Valuation

You have instructed us to provide our opinion regarding the values of the asset described in detail below under the basis of the Fair Value.

1.1.2. Addressees

This report is addressed to Pylea S.A. only.

1.1.3. General Assumptions and Conditions, Special Assumptions

Our valuation has been carried out on the basis of the *General Assumptions and Conditions to Valuations* set out in Section 4 towards the rear of this report. It is noted that any Assumptions or Special Assumptions that are set out in the relevant sections of the report take precedence over the *General Assumptions and Conditions to Valuations* in Section 4 otherwise the latter are considered as applicable for the purposes of the valuation.

According to VPS4, par. 8 of the RICS Red Book, *'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.'*

According to VPS4, par. 9 of the RICS Red Book, *'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.'*

1.1.4. Valuation Date

Our opinion of value is as at 30-6-19. The importance of valuation date must be stressed as property values can change over a relatively short period.

Since the date of the most recent inspection is not the same as the valuation date this valuation is conducted under the assumption that the subject property was on the valuation date at exactly the same condition as it was on the inspection date.

1.1.5. Definition of basis of valuation

Fair value (the definition adopted by the International Accounting Standards Board (IASB) in IFRS 13) 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.

1.1.6. Scope of Valuation

This valuation is prepared for IFRS financial statement reporting purposes in accordance with IAS 40 Investment Properties.

1.1.7. Conflicts of Interest

We are not aware of any conflict of interest, either with the property, the lender or the Borrower, preventing us from providing you with an independent valuation of the property in accordance with the RICS Red Book. We will be acting as External Valuers, as defined in the Red Book.

1.1.8. Valuer Details and Inspection

The property was inspected on 12-06-19 by Stefanos Giannoulakis.

The valuation was undertaken by Stefanos Giannoulakis MRICS (6550102), MEng Surveying Engineer, MSc in Real Estate investment & finance, MSc in spatial analysis, TCG member (118931), and reviewed by George Gkolas MRICS (1209536), BEng Surveying Engineer, MSc (Econ) in Property, TCG member (92862), Registered Valuer of the Greek Ministry of Finance (453) and by Dimitris Manoussakis MRICS (1152810), Architect, MSc Econ, TCG member (54167), Registered Valuer of the Greek Ministry of Finance (57).

In accordance with Paragraphs 2 and 3 of PS2 of the RICS Red Book, we confirm that the aforementioned individuals are in a position to provide an objective and unbiased valuation and are competent to undertake the valuation assignment.

1.1.9. Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are as follows:

1. Tenancy schedule of the shopping centre, valid on the date of valuation.
2. An excel file containing other income and expenses from various sources that are taken into consideration in our valuation.
3. Electronic correspondence (email exchange) with the client, dated 11-07-2019 and onwards, regarding clarifications for valuation purposes.

Where reports and other information (i.e. technical drawings etc.) have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.1.10. Liability Cap

Please be advised that our side is covered by professional liability insurance.

Subject to Greek law restrictions, our liability for the work performed in this report (a) shall be limited to the amount of our total fee and (b) shall exclude any negative, indirect, consequential or incidental damages.

1.1.11. RICS Compliance

This report has been prepared in accordance with the Royal Institution of Chartered Surveyors' ('RICS') Valuation – Global Standards 2017 (the "RICS Red Book") that are effective as of 01st July 2017.

We commit ourselves to comply with the code of conduct imposed by the Royal Institution of Chartered Surveyors (RICS), as well as the ethics code that was established with Ministerial Decision 19928/292 of the Minister of Finance, as published in Government Gazette 1147B/2013.

1.1.12. Verification

This report contains many assumptions, some of a general and some of a specific nature. Our valuation is based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

We recommend that you satisfy yourself on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuation. Our valuation should not be relied upon pending this verification process.

1.1.13. Reliance and Disclosure

This report will be for the use only of the party or parties to whom it is addressed for the specific purpose set out above and no responsibility will be accepted to any third party for the whole or any part of its contents. 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 of the form and context in which it will appear.

2. Description, statutory and legal aspects

2.1. Location

The property is located at the Municipality of Pylea, a satellite municipality of Thessaloniki. Thessaloniki is the second largest city in Greece in terms of population and economic activity. The greater area is comprised of a number of Municipalities that aggregate a total population of more than one million inhabitants. Thessaloniki has the second largest harbour in Greece (after Piraeus) and it operates as the major commercial and maritime gateway of the Balkan countries at the northern Greek borders. Its distance from the borders with Bulgaria and FYROM is less than 150 km and 100 km respectively, making the city an ideal destination for economic activities of this nature.

Pylea is one of the largest suburban municipalities of Thessaloniki and occupies the area situated to the east of the city. The expansion of Thessaloniki and the lack of suitable space has helped the development of Pylea, since many activities were established there in order to be close to the city. The area where the subject shopping centre has been developed was mainly attracting medium to light industrial uses as well as some small-scale commercial units. The majority of these uses were concentrated close or along the Thessaloniki-Michaniona district road. The rest of the area was not developed very much and there was plenty of agricultural land. The most major development in the area was the Carrefour hypermarket (currently IKEA) and the adjoining retail park (Florida).

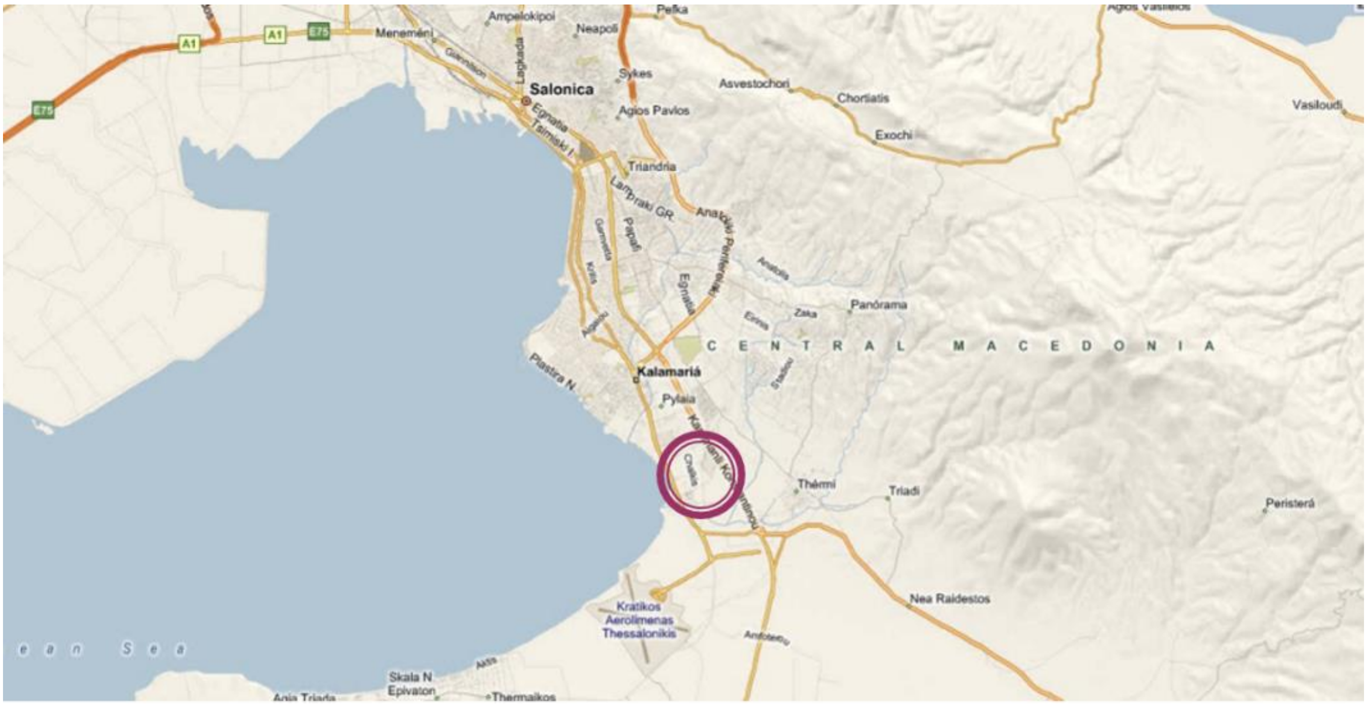
The development of the Thessaloniki-Moudania highway, a road that connects Thessaloniki with Chalkidiki, a popular summer destination for Greeks and foreigners, changed the status of the area. The easy accessibility and the high promotion led to the establishment of numerous commercial buildings in the area. Most of them comprised small to medium scale retail units and fewer included office uses as well.

The development of Mediterranean Cosmos created a boost in the area as it had the critical mass to attract visitors not only from Thessaloniki, but also neighbouring Prefectures. The successful performance of the shopping centre created significant spin-off effects in the neighbouring area as it created demand for commercial space during the previous years. Several new office, retail and leisure developments took place in the area in an effort to exploit the good characteristics of the area (accessibility, availability of land, existence of many large firms and schemes). Some of the major occupiers in the area include IKEA, Leroy Merlin, the "Apollonia Politeia" retail park (opposite Florida 1), the Interbalkan Hospital, and the Kempinski Hotel etc. However, the economic crisis of the Greek economy that has hit the real estate market throughout Greece has changed the expectations and there are currently quite many vacant units in the area, while other projects are held back in anticipation of market uplift in the future.

The subject shopping centre is situated next to the Thessaloniki-Chalkidiki National Road with which it is directly connected through a junction. Accessibility is very good from the city centre and the satellite Municipalities, as well as from Chalkidiki. The area is also very close to the "Makedonia" International Airport.

The city's ring road and of the highway leading to Chalkidiki provide excellent accessibility to and from this area, thus making it very attractive for the positioning of commercial and retail uses. The first large investment of this type was the ex-Carrefour Hypermarket on the road leading to "Makedonia" international airport (by that time the largest in Thessaloniki) which was later converted and is now operating as an IKEA store (was the first IKEA in Greece). Adjacent to that development, the first cinema complex in Thessaloniki (operated by Village Roadshow) was developed together with some other retail uses. The successful operation of the scheme showed that there is demand for commercial and retail uses of this type and as a result the area attracted numerous retail and leisure investments, with the Mediterranean Cosmos being the bigger in terms of size and invested capital. Nowadays Florida 1 is turned into a retail park that includes a supermarket (A-B Vassilopoulos), an electric store (Kotsovolos) and two toy stores (Moustakas and Jumbo). Florida 1 was expanded with the construction of another box of c. 7,500 sqm that is occupied by the French DIY firm Leroy Merlin.

We enclose below general Location Maps showing the location of the property in its regional context.



2.2. Description

The shopping centre is developed on a land plot of 252,668 sqm. It is built in two levels that take advantage of the slight ground slope. As a result the lower level of the shopping centre is again at ground floor level looking from the side facing the sea, while the upper level is at upper ground floor level from the side facing the Thessaloniki-Chalkidiki Highway. There is an additional underground level used as the centre's storage area which is mainly occupied by the retailers of the centre. This part of the development is not accessible by the visitors. The total built areas that are included in the calculation of the building coefficient are 49,878.58 sqm according to the coverage plan issued by the designing team. The areas that are characterised as Gross Lettable Area (GLA) have a total surface of 46,024 sqm according to the letting report that Lamda Malls S.A. has provided to us.

The development does not follow the classic multi-floor building design mainly due to restrictions on construction heights set by the Building Authorities as a result of the nearby "Makedonia" International Airport. As a result the shopping centre is deployed on a larger part of the plot something that gives a feeling of cityscape shopping. The common areas in front of the shops are designed like wide pedestrian precincts and form small but pleasant squares and alleys. These common use areas can remain open when the weather conditions allow this, making the stay in the shopping centre even more pleasant. There are three main entrances servicing the plot's access/egress in order to achieve a more efficient use and circulation for the 2,817 over-ground parking lots provided by the shopping centre. The capacity of the parking facilities is currently considered as adequate for a shopping centre of this size and nature, but there is additional land-plot space available in case that there is a need for some further increase of the parking capacity in the future.

One of the main attractions of the centre is the unspoiled view towards the sea and the south-eastern suburbs of Thessaloniki. On this part of the shopping centre are located the multiplex cinemas, the cafes and the food court. On the same side, a "Greek Village" has been built comprising two detached buildings that host the Greek cuisine restaurants, a number of café units and a Greek-Orthodox church. A large square is surrounded by the above mentioned buildings, which is designed with water elements and other type of landscaping as well as with decorative structures suitable for exterior design.

The land plot is fully landscaped and is facilitated by a small tarmac road network, car parking with the required lineage and numerous plants.

Photographs of the property taken are provided below.


tobacco
corner


attica
attica

2.3. Condition

As per our instructions, we have not carried out a structural survey, nor have we tested any of the services. However, we would comment, without liability, that the property is at a very good state of repair.

For the purposes of our valuation we have assumed that any specialist investigation would not reveal any adverse conditions that may affect the value of the property.

2.4. Statutory Requirements

2.4.1. Planning framework

We have not made any formal enquiries with the local planning authority. All the information stated below derive from the documentation that we received from our instructor and is assumed to be both complete and correct.

The property's building terms and restrictions are defined by the Presidential Decree of 24/5/85 (published in Government Gazette, Volume No. 270D/85) and are the following:

- Minimum Land Plot Surface: 4,000 sqm
- Minimum Road Frontage: 45 m
- Minimum Depth of Land Plot: 50 m
- Minimum Distance of Buildings from Plot Boundaries: 15 m
- Plot Ratio: 20%
- Building Coefficient: 0.20
- Maximum Building Height: 9 m

2.4.2. Compliance

In valuing the property we have assumed that the premises are used in accordance with its present lawful uses and that the structures comply with current planning laws and building regulations, that they are not subject to any adverse proposals or possible enforcement actions and that it has fully marketable titles.

2.5. Tenure

The land on which the subject Shopping Centre is constructed is owned on a freehold basis by the Ecumenical Greek Orthodox Patriarchate of Constantinople. It is occupied and let by Lamda Malls S.A. under a ground lease that the company has signed with the Ecumenical Patriarchate of Constantinople. Initially, the ground lease had a duration of 30 (thirty) years with an option for some extension, subject to future negotiations between the two parts. Nowadays, based on the provided information, the two parts have agreed to extend the current ground lease for 30 years.

For the purposes of our valuation we have assumed that the property is free from any legal burdens, blockages, liens or encumbrances which may have an adverse effect on its value, therefore we have assumed that the property has clear and marketable title deeds. We have also assumed since we were not informed differently by the master lessee (Pylea S.A.) that there are no problems regarding public or private rights of way.

In 2017 "Pylea S.A." was contributed to the newly established "Lamda Malls S.A.", which on the valuation date was owned by "Lamda Development S.A." (54.57%), "Wert Blue SARL" (31.70%) and "Lamda Development (Netherlands) B.V." (13.73%).

For the purposes of our valuation we have assumed that the property is free of any defects, blockages or legal encumbrances that may have an adverse effect on its value and we assume that it has clear and marketable titles.

2.6. Occupational Leases and Other Agreements

According to the provided tenancy schedule on the valuation date there are a total of 201 shops and two ATMs. It should be noted that there are no vacant units and therefore the vacancy rate is 0%.

2.7. Environmental Considerations

As instructed, we have not carried out a soil test or an environmental audit. Following informal enquiries, we understand that the property had previously the same use as today. On the basis of these informal enquiries, it would appear unlikely that land contamination exists. We have also observed that there are not any hazardous or potentially hazardous uses near the property. These comments are subject to the extent of the on-site survey and are made without liability.

Since land contamination is unlikely, we have valued the property on the basis that it has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. However, should it subsequently be established that contamination exists at the property, or on any neighbouring land, then we may wish to review our valuation advice accordingly.

3. Market Commentary & Valuation Advice

3.1. Approach to Valuation

Since the shopping centre was operating on the date of valuation, we considered that the Investment Method is the most appropriate to be applied and more specifically the Discounted Cash Flow (DCF) approach. For its application we have taken into account the letting parameters described on each of the individual letting agreements signed with the several shopkeepers of the centre i.e. the duration, the passing rent and the indexation pattern, combined with market-derived data regarding rental values and capitalisation rates from both the Greek and the European retail property market. Finally we took into account information regarding various income and cost sources such as property management fees, advertisement income, rent collection loss and others that are described in detail below.

Our valuation is also based on the overall performance of the Shopping Centre in terms of the number of visitors, the turnover generated and its position in the local market.

During its lifespan and despite the slow start and the economic crisis that hit the Greek economy since 2009, Mediterranean Cosmos has recovered and nowadays is considered a well-established retail and leisure destination for the market of Thessaloniki and the neighbouring Prefectures. Compared to the rest of the market, the centre performs quite well as indicated by its key performance figures. From the provided information, we understand that on a Y-O-Y comparison basis, footfall has decreased by an average of -4.5%, while turnover is at +0.9%. At the same time, vacancy has been sitting at zero per cent. From the above, it is easily conceivable that, the outlook for the shopping centre is strongly positive.

By following the historic data of the shopping centre performance since it opened in 2005, we understand that during the first couple of years its position in the local market was not strong, as the newly introduced concept was still alien to the habits and the mentality of the local population. For this reason, growth was not high, at least not as expected, although it was a booming market. However this changed over time as Mediterranean Cosmos, in conjunction with the nearby IKEA and Leroy Merlin stores, the Florida retail parks and several other new developments in the wider area, has become a strong retail and leisure destination as well as a large family-oriented hub, not only for the population of the city of Thessaloniki, but also for residents of the neighbouring Prefectures of Chalkidiki, Kilkis, Pieria, Serres and Imathia. Nowadays a great number of visitors, especially during the weekends, come from towns that can be even more than 100km far from Thessaloniki, although the high gas price is a significant repellent factor for long-distance visitors. Moreover, the shopping centre's footfall rate is being amplified by the continuous increasing foreign visitor flows from Bulgaria and FYROM especially on weekends and public holidays since it is less than 150 km and 100 km respectively from the two countries. In the end, since Chalkidiki attracts every year more and more foreign visitors from Russia and Balkans during tourist season, the majority of them visits the centre as it is considered a par excellence retail and leisure destination.

The fact that the valuation refers to a long leasehold interest (surface right equivalent to usufruct), instead of freehold ownership, has an immediate effect on the valuation because in this case there is zero "exit value" to the interest of the master lessee (Pylea S.A.). Usually these assets are described as "wasting assets" because after some time the value of the master lessee's interest starts decreasing as its value is gradually passing to the landlord. At the end of the master lease the value of the interest of the master lessee (or master tenant) is zeroed, while the landlord enjoys the value of the freehold occupation. More analytically, the value of the master lessee's interest has an initial period of growth, but after some point it starts decreasing as the lease agreement gets closer to its expiration. From this point the value is gradually passing to the owner of the property who until the lease expiry date, is receiving the predetermined rental payment only.

It should be noted, that based on the amended clauses of the agreement with the Patriarchate and the subsequent extension of the ground lease we take into consideration the new expiry day that is 47 years after 2017, i.e. rendering the tenure almost equivalent to a 'virtual freehold', meaning that in practice its value is similar, albeit lower than, a freehold possession. However, as long as the master lease expiry date remains the same, the value of the master lessee's right will diminish over time, as the difference, both practical and in terms of valuation calculations, will be getting increasingly higher. This difference is taken into consideration in our calculations on the end of our analysis period (end of Year-10, July 2029) where the value is not calculated in perpetuity but for the remainder of the master leasehold period (2029 to 2065).

3.1.1. Ground lease

The basic document which has been considered in this respect is the new extended leasehold agreement that Pylea S.A. has signed and exchanged with the Patriarchate. This existing agreement has been extended for a 30-year period; it expires on the 31st of October 2065 and includes the following rental payment clauses:

- An amount of €10.0 mil that was paid as a lump sum by the master lessee (Pylea S.A.) to the lessor (Patriarchate) as a prerequisite upon execution of the extended lease agreement.
- The basic ground rent increases by 10% with retroactive effect as of 01st January 2018. It is paid quarterly in advance and is indexed annually at a rate equal to CPI + 0.50%. The relevant stamp duty of the lease agreement calculated at 3.6% of the sum of the overall payment to the landlord. Pylea S.A. is charged with 50% of stamp duty (3.6%) over lease payments, so the effective stamp duty rate equals to 1.8%. It is noted, that on 01st January 2019 the basic ground rent including the 10% increase and the relevant effective stamp duty was equal to € 3,572,000.
- In addition to the basic ground rent, there is an additional ground lease payment (1) that is calculated as 4.50% on shopping centre's total gross revenue (net of base rent discounts) with retroactive effect as of 01st January 2018. Upon the completion of every 12-years period, the parties shall renegotiate the terms of the concession agreement in relation to the additional ground lease payment. It is noted, that Pylea S.A. is charged with 50% of stamp duty (3.6%) over ground lease payment (1), so the effective stamp duty rate equals to 1.8%.
- Moreover, based on the amended leasehold agreement, there is an additional ground lease payment (2) that is calculated as half of the Greek State's Consolidated Tax on Property Ownership (ENFIA), which is estimated to be € 175,000 with effect as of 01st January 2019.
- In the end, there is an additional ground lease payment (3) that is calculated as the greater of the amount € 25,450 or 30% of accrued interest based on 12M-Euribor on 31-12 each year on the amount of previous year Letter of Guarantee. It is noted, that Pylea S.A. is charged with 50% of stamp duty (3.6%) over ground lease payment (3), so the effective stamp duty rate equals to 1.8%.

It should be noted that all information regarding the renewal of the agreement with the Patriarchate was given to us by the Lamda Development administration, however we have not seen the full official text that has been signed between the two sides and therefore we reserve the right to revise the valuation result should any of the terms provided are not correct or accurate.

3.1.2. Yield profile

Our 10-year DCF approach has set one ARY and one discount rate for the total shopping centre stream without approaching each tenant or tenant category individually (primary, secondary etc.) since the shopping centre is perceived as a single investment product by potential investors who are not interested in analysing the business profile of each retailer but the historic overall performance of the shopping centre. Investors during their due diligence pay attention in the retail attractiveness and quality of the anchors tenants in order to feel certainty about the sustainability of the rental stream.

The real estate market has shown some encouraging signs of investment activity as a result of the general improvement of the economy something which is also reflected in the returns of the 10-year Greek Government Bond (GGB) which recently hit record low levels (close to 2%). Market activity has increased rapidly over the last 12 months with the volume of transactions to be fuelled by the appetite of the Greek REICs for new investments as well as of foreign private equities and individual investors through their family offices. The hospitality and the office sectors have experienced significant activity followed by the logistics and the retail sectors. This is an expected reaction of the investment community since the Greek hospitality market is considered the "heavy industry" of the Greek economy showing some excellent performance during the crisis years, while the office market is lagging behind due to the absence of new office developments in the last 10 years. On the other hand, the logistics sector is expected to move ahead, especially after the privatization of the ports of Piraeus and Thessaloniki while the retail sector is experiencing signs of recovery and increase in consumer confidence as a result of the better performance of the economy which has led to lower unemployment rates and better income for the households. Most of the real estate activity is focused in the re-positioning of buildings as this approach allows for good returns even if rents and prices are still at relatively low levels. At the same time, the strong performance of the subject asset during all previous years can offer the necessary level of optimism for a continuation towards some further yield compression. To this end, we are of the opinion that this level of return is fair for the subject asset which has been amongst the top-performing shopping centres in Greece, since its inauguration.

For the calculation of the Net Present Value of the shops, we have applied a discount rate of 9.50%, which we are of the opinion that is in line with the current market conditions and with the level of compensation that investors are currently looking for in well performing assets in Greece, since it commenced its operation in 2005, and despite the economic crisis it has always maintained its status amongst the leading shopping centres in Greece.

For the calculation of the exit value we have used an ARY of 8.75%. This yield represents a gross return that, in our opinion, is fair for a potential investor that would acquire the subject shopping centre at the end of the analysis period (2029). Although by that time the leasehold right will not be considered equal to a freehold possession, with c. 37 years remaining, we believe that the master leasehold period will still be long enough to mitigate the potentially higher risks involved with leasehold possessions (zero exit value, diminishing value of the leasehold interest, risk of income sustainability), which is reflected in the applied exit yield.

3.1.3. Estimated Rental Values (ERVs)

In terms of Estimated Rental Value, we have classified the centre's units into several categories, depending on the size of the lettable area, upon which we applied different ERVs. The categorisation of the units and the respective ERVs are shown in the following Table:

Description	ERV
Food (anchors)	€ 44,0/m²/month
Food Court	€ 73,0/m²/month
Kiosks	€ 27,5/m²/month
Large (251sqm - 500sqm)	€ 37,0/m²/month
Medium (101sqm - 250sqm)	€ 44,0/m²/month
Outdoor Cafes & Restaurants	€ 45,0/m²/month
Small (<100sqm)	€ 61,0/m²/month
Very Large (>500sqm)	€ 22,0/m²/month
Veranda	€ 5,5/m²/month
Storage	€ 6,0/m²/month

We also note that for five of the anchors we have applied separate rental prices due to the nature of their merchandise (cinemas, super market) or the very large size of their units:

Description	ERV
Attica (women)	€ 15/m²/month
H&M	€ 18/m²/month
Massoutis (super market)	€ 10/m²/month
Village cinemas	€ 20/m²/month
Sfera	€ 31/m²/month

We are of the opinion that the ERVs used reflect the continuous robust performance and the attractiveness of the particular shopping centre as retailers prefer to be established in well-known destinations such as Mediterranean Cosmos, which is the only well performing shopping centre in the area of Thessaloniki.

3.1.4. CPI

According to the provided tenancy schedule, rents are indexed annually at rates varying from CPI to CPI+2% with the majority of the agreements being at CPI+2%. For the needs of our valuation we have assumed a stable CPI equal to 1.50% for the entire duration of our calculations for the indexation of passing rents, which we consider to be a fair assumption. In the end, we have assumed an equal rate as income growth rate for the indexation of ERVs upon lease expiration and the reversion of rental income at market levels.

3.1.5. Parking

The valuation of the parking was based on an estimate of the turnover (€ 2,350,000) and the operating expenses (c. € 711,500).

3.1.6. Turnover income

The value of the Turnover Income is calculated according to the projections of the management, which are in the order of € 900,000 on an annual basis.

3.1.7. Other income

According to the provided information there is some additional income that is estimated at € 550,000 p.a.

3.1.8. Costs

According to the provided data the non-recoverable operating expenses of the shopping centre on an annual basis are as follows:

- Ground rent: c. € 3,572,000
- Additional ground lease payment (1) that is calculated as 4.50% on shopping centre's total gross revenue (net of base rent discounts, € 200,000): c. € 1,050,000
- Additional ground lease payment (2) that is calculated as half of the Greek State's Consolidated Tax on Property Ownership (ENFIA): € 175,000.
- Additional ground lease payment (3): € 25,450. (In terms of this valuation, the additional ground lease payment (3) is estimated to be € 25.450 per annum.)
- Miscellaneous fees: c. € 139,000
- Insurance premium: c. € 208,000
- Maintenance & architectural support: c. € 346,000
- Common charges for vacant shops: c. € 428,000
- Property management fee: c. € 237,000
- Leasing fees: c. € 109,000
- Marketing: c. € 236,000
- Provision for Base Rent adjustment: c. € 200,000
- Collection loss: c. € 50,000

These non-recoverable costs are included in the valuation as revenue reduction factors.

3.1.9. Common charges contribution

A major capital cost element that we have taken into account in our calculations is the contribution of the owning company to the common-charges, which aims to somehow reduce the operating expenses of the tenants. This contribution that was firstly introduced in 2012 is not mandatory for the owner and is a provision that is decided annually by the management. The amount is also decided on an ad hoc basis and in line with the economic conditions and the performance of the Centre and from its annual evolution we see that it has been reduced significantly compared to the 2012-2016 period following the general improvement of the Centre's fundamental performance indicators (footfall and sales turnover).

Since this contribution has been in place for a quite significant period and we see that the economic conditions that create the need for such a provision will not improve dramatically in the short to mid-term, we have decided to adopt the approach that this annual contribution will continue at the same amount as today (€ 0.46 mil) for the next four years. This is considered a capital expenditure that will be paid on equal monthly instalments and discounted at the same rate as the Cash flow from the Shops.

3.1.10. Capital expenses (CapEx)

The overall capital costs that are taken into consideration in our valuation are:

- Common charges contribution at € 0.46 mil.

3.2. Valuation

Having carefully considered the property, as described in this report, we are of the opinion that, as at the date of valuation, the Market Value of the leasehold interest, subject to and with the benefit of the current lease agreements is € 182.067.164, which is rounded to **€ 182.050.000** (One Hundred Eighty Two Million And Fifty Thousand Euros).

Due to the very large size of the detailed valuation calculations we have included summary figures in Appendices 5.1 and 5.2

below. Detailed calculations can be provided upon request.

3.2.1. Sensitivity analysis

In order to test the valuation, result we have performed a sensitivity analysis regarding changes in the applicable discount rate in five steps of 25 bps. The results are shown in the following table:

The results of this analysis are the following:

Med Cosmos	@ 9,00%	@ 9,25%	@ 9,50%	@ 9,75%	@ 10,00%
Shops	€ 179.685.723	€ 176.930.443	€ 174.235.016	€ 171.597.929	€ 169.017.716
Non-commercial	€ 8.081.241	€ 7.955.319	€ 7.832.148	€ 7.711.660	€ 7.593.786
Fair Value	€ 187.766.964	€ 184.885.762	€ 182.067.164	€ 179.309.589	€ 176.611.502
rounded	**€ 187.750.000**	**€ 184.900.000**	**€ 182.050.000**	**€ 179.300.000**	**€ 176.600.000**
difference in €	€ 5.700.000	€ 2.850.000	€ 0	-€ 2.750.000	-€ 5.450.000
vs Fair Value	+3,13%	+1,57%	0,00%	-1,51%	-2,99%

We notice that for every 25 bps of discount rate change the Fair Value of the shopping centre changes by c. € 2.80 mil or c. 1.54% approximately.

3.2.2. VPGA 10: Matters that may give rise to material valuation uncertainty

We would like to draw your attention to the following commentary that relates to Guidance 10 (VPGA 10: Valuations in markets susceptible to change: certainty and uncertainty) of the Royal Institute of Chartered Surveyors (RICS), which is linked to market uncertainty issues and how these are addressed by valuers.

The data used and analysed in this report (e.g. rental / sale prices, returns, etc.), as presented in the previous paragraphs, come from various sources and recent data of the Greek real estate market and from the general financial information and are based on current conditions adjusted to reflect the general economic trends and characteristics of the property as at the valuation date. However, we stress that in general the unstable economic environment exists to a certain extent and therefore we are of the opinion that valuation uncertainty remains since investors continue being very selective. The severe financial crisis experienced by the country led to a general economic upheaval in June 15 due to the failure of the Greek Government to agree with the lenders, resulting in a lack of government liquidity and a disruption of payments to the IMF. The announcement of a referendum (26-06-15) a few days before the expiration of Greece's financial support program (30-06-15) has amplified the situation. The combination of this suffocating financial situation with the fear of mass withdrawal of deposits due to strong possibilities for a haircut (bail in) and the failure of banks to respond smoothly to their day-to-day operation led to a decision to apply bank holiday and capital controls on 29-06-15. The impact of the financial and banking crisis on the property market, and the economy in general, continues to affect markets in Greece. In particular, the impact of the bank holiday, which is a major event with horizontal implications across the structure of the Greek economy, will continue affecting the banking system, especially as the NPL (Non-Performing Loans) problem is resolved with a rather slow pace.

The cost of government borrowing is improving but is still remains higher than the other European economies. The Greek Banks, although having very important issues with the large volume of NPLs that create major management and potential risk issues, are expected to become the pillar of long-term normalisation of the economy. The situation is expected to improve further by the abolition of capital controls, the effects of which continue to affect the economy horizontally, although nowadays many of the original measures have been lifted. The reassessment of risks associated with real estate lending and the significant decrease in funding has a consequent impact on the image of the real estate market, especially in the last period although banks have started lending projects with solid fundamentals.

Due to this change in financial conditions, investment or development projects have re-appeared; however, there is still a limited number of transactions, although these have shown a steady upward trend in the last year, and some new developments have also begun due to increase in demand.

In this context it was not possible to collect a sufficient number of comparative data on realised transactions that could help us more to form a more in-depth view of the market, as would be the case in a normally functioning market. Against this background, given the circumstances, we state that our side has formulated the best possible valuation approach. However, as the situation continues changing in the operation of banks and the property market, our side will continue to monitor the trends that will develop in the coming months.

In this respect and in accordance with the above RICS Guidance we note that the reported value is based on the best possible and appropriate analysis of the available information and the general economic conditions prevailing on the valuation date. In this context, we note that the produced result is correct although with increased Valuation Uncertainty.

4. General Assumptions & Conditions to Valuations

4.1. General Assumptions

Unless otherwise stated in this report or in a specific section entitled 'Special Assumptions', our valuation has been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it.

1. That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings contained in the Freehold Title. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds or National Cadastre.
2. That we have been supplied with all information likely to have an effect on the value of the property, and that the information supplied to us and summarised in this report is both complete and correct.
3. That the building has been constructed and is used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
4. That the property is not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting its value.
5. That the building is structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the property and this report do not constitute a building survey.
6. That the property is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
7. That in the construction or alteration of the building no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.
8. That the property has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
9. That the property does not suffer from any risk of flooding. We have not carried out any investigation into this matter.
10. That the property complies with any legislation relating to safety and accessibility of users.
11. That the property does not suffer from any ill effects of Radon Gas, high voltage electrical supply apparatus and other environmental detriment.
12. That there are no adverse site or soil conditions, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuation.

13. That the tenants are capable of meeting their obligations, and that there are no arrears of rent or undisclosed breaches of clauses contained in the respective lease agreements.

4.2. General Conditions

Unless otherwise stated in this report or in a specific section entitled 'Special Conditions, our valuation has been carried out on the basis of the following General Conditions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it.

14. Although in our valuation we have regard of the general effects of taxation on property we have made no allowance for any Capital Gains Tax, VAT or any other taxation liability that might arise upon a sale of the property (e.g. Income Tax).
15. No allowance has been made for any expenses of realisation.
16. No allowance has been made for any working capital.
17. Unless otherwise stated in the report we have assumed that the property was at the same condition on the date of valuation and on the date of inspection.
18. Excluded from our valuation is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
19. If a portfolio of different properties are being valued, each property was assessed independently and no provision, positive or negative, has been made for the case of their transfer as part of a portfolio. The total value referred to is simply the sum of the values of each property.
20. If there are non-performing loans related to the property, we have not taken into consideration any possible impact that they may have on the image of the property in the market and thus to its value.
21. Our valuation is based on market evidence which has come into our possession from numerous sources. That from other agents and valuers is given in good faith but without liability and is often provided in verbal form. Some comes from databases or computer databases. In all cases, other than where we have had a direct involvement with the transactions, we are unable to warrant that the information on which we have relied is correct although we believe it to be so.

5. Appendices

5.1. Shops cash flow

Cash Flow Report

Mediterranean Cosmos (shops) (Amounts in EUR)

Ιουλ, 2019 through Ιουν, 2030	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
For the Years Ending	Ιουν-2020	Ιουν-2021	Ιουν-2022	Ιουν-2023	Ιουν-2024	Ιουν-2025	Ιουν-2026	Ιουν-2027	Ιουν-2028	Ιουν-2029	Ιουν-2030
Rental Revenue											
Potential Base Rent	19.152.306	19.696.662	19.999.544	19.853.943	19.723.763	19.720.564	19.640.321	19.746.225	20.021.302	20.381.601	20.754.474
Absorption & Turnover Vacancy	-30.951	0	0	0	0	0	0	0	0	0	0
Scheduled Base Rent	19.121.355	19.696.662	19.999.544	19.853.943	19.723.763	19.720.564	19.640.321	19.746.225	20.021.302	20.381.601	20.754.474
Total Rental Revenue	19.121.355	19.696.662	19.999.544	19.853.943	19.723.763	19.720.564	19.640.321	19.746.225	20.021.302	20.381.601	20.754.474
Total Tenant Revenue	19.121.355	19.696.662	19.999.544	19.853.943	19.723.763	19.720.564	19.640.321	19.746.225	20.021.302	20.381.601	20.754.474
Other Revenue											
Other income	550.000	558.250	566.624	575.123	583.750	592.506	601.394	610.415	619.571	628.864	638.297
Turnover rent	900.000	913.500	927.203	941.111	955.227	969.556	984.099	998.860	1.013.843	1.029.051	1.044.487
Parking Revenue											
Parking	2.350.000	2.385.250	2.421.029	2.457.344	2.494.204	2.531.617	2.569.592	2.608.136	2.647.258	2.686.966	2.727.271
Total Other Revenue	3.800.000	3.857.000	3.914.855	3.973.578	4.033.181	4.093.679	4.155.084	4.217.411	4.280.672	4.344.882	4.410.055
Potential Gross Revenue	22.921.355	23.553.662	23.914.399	23.827.521	23.756.945	23.814.243	23.795.406	23.963.635	24.301.974	24.726.483	25.164.530
Effective Gross Revenue	22.921.355	23.553.662	23.914.399	23.827.521	23.756.945	23.814.243	23.795.406	23.963.635	24.301.974	24.726.483	25.164.530
Operating Expenses											
Parking OpEx	711.500	722.173	733.005	744.000	755.160	766.488	777.985	789.655	801.499	813.522	825.725
Provision for base rent adjustment	200.000	203.000	206.045	209.136	212.273	215.457	218.689	221.969	225.299	228.678	232.108
Insurance premium	207.165	210.272	213.427	216.628	219.877	223.176	226.523	229.921	233.370	236.870	240.423
Collection loss etc	50.000	50.750	51.511	52.284	53.068	53.864	54.672	55.492	56.325	57.169	58.027
PM fees	237.150	240.707	244.318	247.983	251.702	255.478	259.310	263.200	267.148	271.155	275.222
Marketing Contribution	236.000	239.540	243.133	246.780	250.482	254.239	258.053	261.923	265.852	269.840	273.888
Mischellaneous Fees	139.000	141.085	143.201	145.349	147.530	149.742	151.989	154.268	156.582	158.931	161.315
Maintenance & Architectural support	346.100	351.292	356.561	361.909	367.338	372.848	378.441	384.117	389.879	395.727	401.663
Common charges contribution	428.410	434.836	441.359	447.979	454.699	461.519	468.442	475.469	482.601	489.840	497.187
Leasing fees	108.592	110.221	111.874	113.552	115.256	116.984	118.739	120.520	122.328	124.163	126.025
Ground Rent ADDITIONAL 2 (ENFIA)	175.000	175.000	175.000	175.000	175.000	175.000	175.000	175.000	175.000	175.000	175.000
Ground Rent ADDITIONAL 3 (euribor)	25.450	25.450	25.450	25.450	25.450	25.450	25.450	25.450	25.450	25.450	25.450
Ground Rent ADDITIONAL 1	1.022.292	1.050.493	1.066.582	1.062.707	1.059.560	1.062.115	1.061.275	1.068.778	1.083.868	1.102.801	1.122.338
Total Operating Expenses	3.886.659	3.954.819	4.011.466	4.048.758	4.087.394	4.132.360	4.174.567	4.225.763	4.285.201	4.349.147	4.414.372
Ground Lease Expenses	3.607.720	3.679.874	3.753.472	3.828.541	3.905.112	3.983.214	4.062.879	4.144.136	4.227.019	4.311.559	4.397.791
Net Operating Income	15.426.975	15.918.968	16.149.461	15.950.221	15.764.438	15.698.668	15.557.960	15.593.736	15.789.754	16.065.777	16.352.367
Capital Expenditures											
Common charges contribution	460.000	460.000	460.000	460.000	0	0	0	0	0	0	0
Total Capital Expenditures	460.000	460.000	460.000	460.000	0	0	0	0	0	0	0
Total Leasing & Capital Costs	460.000	460.000	460.000	460.000	0	0	0	0	0	0	0
Cash Flow Before Debt Service	14.966.975	15.458.968	15.689.461	15.490.221	15.764.438	15.698.668	15.557.960	15.593.736	15.789.754	16.065.777	16.352.367
Cash Flow Available for Distribution	14.966.975	15.458.968	15.689.461	15.490.221	15.764.438	15.698.668	15.557.960	15.593.736	15.789.754	16.065.777	16.352.367
Property Resale @ 8.75%											178.010.641
PV of Cash Flow @ 9.50%	14.329.687	13.520.961	12.531.373	11.301.791	10.503.305	9.551.433	8.643.562	7.911.266	7.315.045	6.796.774	71.829.819
Total Unleveraged Present Value	**174.235.016**										

5.2. Non - shops cash flow

Cash Flow Report

Med. Cosmos (non-commercial) (Amounts in EUR)

Ιουλ, 2019 through Ιουν, 2030	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
For the Years Ending	Ιουν-2020	Ιουν-2021	Ιουν-2022	Ιουν-2023	Ιουν-2024	Ιουν-2025	Ιουν-2026	Ιουν-2027	Ιουν-2028	Ιουν-2029	Ιουν-2030
Rental Revenue											
Potential Base Rent	670.526	702.851	711.236	685.958	692.471	724.315	732.392	755.682	780.945	789.207	792.200
Free Rent	-4.088	0	0	0	0	0	0	0	0	0	0
Scheduled Base Rent	666.438	702.851	711.236	685.958	692.471	724.315	732.392	755.682	780.945	789.207	792.200
Total Rental Revenue	666.438	702.851	711.236	685.958	692.471	724.315	732.392	755.682	780.945	789.207	792.200
Total Tenant Revenue	666.438	702.851	711.236	685.958	692.471	724.315	732.392	755.682	780.945	789.207	792.200
Potential Gross Revenue	666.438	702.851	711.236	685.958	692.471	724.315	732.392	755.682	780.945	789.207	792.200
Effective Gross Revenue	666.438	702.851	711.236	685.958	692.471	724.315	732.392	755.682	780.945	789.207	792.200
Operating Expenses											
Ground Rent ADDITIONAL 1	29.723	31.347	31.721	30.594	30.884	32.304	32.665	33.703	34.830	35.199	35.332
Total Operating Expenses	29.723	31.347	31.721	30.594	30.884	32.304	32.665	33.703	34.830	35.199	35.332
Net Operating Income	636.715	671.504	679.515	655.364	661.586	692.011	699.727	721.979	746.115	754.009	756.868
Cash Flow Before Debt Service	636.715	671.504	679.515	655.364	661.586	692.011	699.727	721.979	746.115	754.009	756.868
Cash Flow Available for Distribution	636.715	671.504	679.515	655.364	661.586	692.011	699.727	721.979	746.115	754.009	756.868
Property Resale @ 8.75%											8.239.203
PV of Cash Flow @ 9.50%	610.657	588.408	543.789	479.048	441.546	421.451	389.641	366.996	346.264	319.712	3.324.635
Total Unleveraged Present Value	**7.832.148**										

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