

Logistics Market at a Glance | 2020

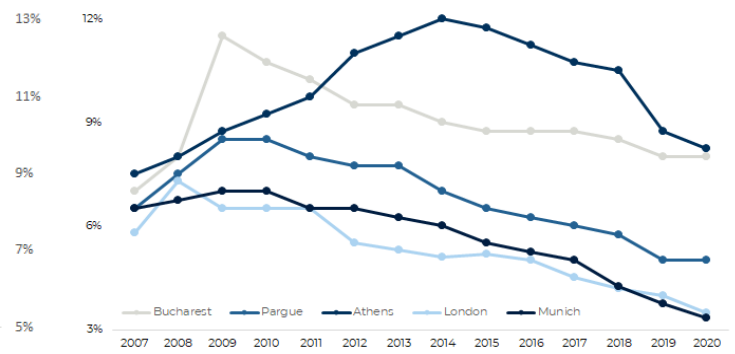
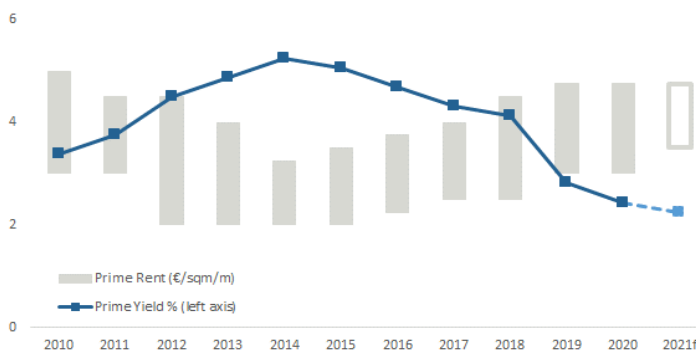
Market Indicators

| | 2017 | 2018 | 2019 | 2020 | 2021f | Market Low | Market High |
|----------------------|--------|-------|-------|-------|-------|-------------|-------------|
| Prime Rent (€/sqm/m) | 4 | 4,5 | 4,75 | 4,75 | 4,75 | 3 (2014) | 7,5 (2006) |
| Prime Yield (%) | 10,75% | 10,5% | 8,75% | 8,25% | 8% | 7,5% (2006) | 12% (2014) |

Prime Rent: Remaining stable after a slight upward trend between 2014-2019. Rent for sub prime locations or Grade B logistics ranges significantly lower than prime rents, from €1-3/sqm/m.

Prime Yield: The high returns of the market get investors competing for the acquisition of prime assets (size, location, Grade A). The lack of sizeable and quality supply (grade, scarcity of land) in combination with the growing investors appetite to enter the market shall keep compressing the yields for prime logistics facilities (still higher than most European cities).

Vacancy Rate: The low construction activity during the last decade has caused a lack of quality properties, bringing vacancy rate below 2% from prime logistics. Vacancy rate for sub prime location or Grade B logistics ranges from 10%-20%.



Supply: Only a few new facilities in the pipeline (mainly owner-occupied or turn-key projects for specific users) while the proportion of the Grade A properties is less than 30% of the total current stock. Increase of development activity is expected in the next years.

Demand: Covid-19 accelerated the maturing of the sector. Manufacturers and producers turned to 3PLs for the management of their products to lower their costs and handling the expansion of e-commerce. 3PLs have taken advantage of this opportunity looking for bigger and better-quality logistics to consolidate their business.

2021: Greek logistics market has shown resilience to the economic recession. The Country's strategic geographical location, the new infrastructure projects, the expansion of e-commerce and the further maturation of the sector shall keep the positive prospects of the market.



Geographic & Product Coverage

The logistics network in Greece has been developed around Athens and Thessaloniki, the country's two largest cities, which are closely linked with Greece's most important ports and airports. Major logistics facilities are concentrated in the Attica West and Attica North near Athens and Kalochori, Sindos in Thessaloniki. Secondary facilities have been developed around the Greek satellite ports.

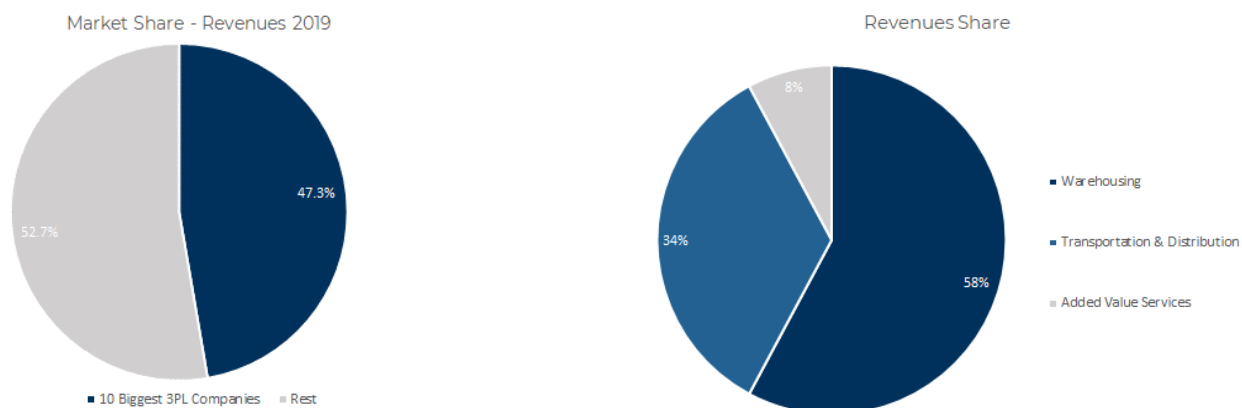
| | | Distance to Port | Rail Service | Ease of Access | Infrastructure |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------|----------------|----------------|
| A. Attica | The prime logistics market in Greece. | | | | |
| Attica West (Magoula, Aspropyrgos, Mandra, Elefsina) | The largest logistics market of Attica. Accommodates the major 3PL providers. Direct access to national roads, Attiki odos and connection to the Piraeus container terminal (Neo Ikonio). | Piraeus: 20km Elefsina: 52km Corinth: 68km | Yes, in Aspropyrgos Connecting to Corinth, and the North | Very Good | Good |
| Attica North (Schimatari, Inofita, Avlonas) | >30% of Attica logistics stock. Easy access to national road and country's railway line. | Piraeus: 65km Elefsina: 71km Corinth: 105km | Yes, in Inofyta connecting to Piraeus and the North | Very Good | Good |
| Attica East (Spatha, Markopoulo, Peania) | Immediate access to Athens International Airport and the Attiki Odos road. Mostly warehouses and logistics centres of wholesalers and retail companies. | Piraeus: 40km Elefsina: 52km Corinth: 112km | No cargo | Very Good | Average |
| Athens North (Ag. Stefanos, Metamorfofi, Kifissia, Krioneri) | Old Stock, close to the city and direct access to the national road. | Piraeus: 32km Elefsina: 40km Corinth: 95km | Yes, in Agios Stefanos connecting to Piraeus and the North | Good | Very Good |
| Piraeus (Perama, Drapetsona, Agios I. Rentis) | Very limited stock of quality supply. Lack of available space for development. Direct access to Piraeus Port. | Piraeus: 0km Elefsina: 6km Corinth: 112km | Yes, multiple | Average | Good |
| B. Thessaloniki (Sindos, Kalochori, Oreokastro, Ag. Athanasios.) | Mainly comprised of warehouse facilities, only few with logistics amenities. Old and highly outdated stock. | Thessaloniki: Max 30km | Yes, multiple | Good | Good |
| C. Secondary (Patra, Volos, Kavala, Igoumenitsa, Alexandroupoli) | Ports that can connect Europe, Asia, Middle East, Balkans and North Africa. The investment in Alexandroupolis port shall transform it to an important port-logistics hub, especially for energy related products. | Close to a regional port | Yes | Good | Average |

Main Transaction 2020 & 2021

| Year | Location | Surface (sqm) | Amount (€m) | Price/sqm (€) | Yield | Condition | Investor | Description |
|------|--------------|--------------------------|-------------|---------------|-------------------------------|-----------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2020 | Attica West | 4,925 | 1,1 | 223,4 | Est. ≈ 10% | Grade B | Trastor REIC | <ul style="list-style-type: none"> Preferred bidder, pre-agreement in Sep 2019 Singing of final agreement in Feb 2020 |
| 2020 | Attica West | Plot of 57,529 | 3,46 | | 9% (incl. Development Risk) | | Briq Properties | <ul style="list-style-type: none"> Plot Acquisition for Development. GBA of 22,900sqm Bought at €150/GBA Own Used by Infoquest |
| 2020 | Attica West | 25,095 | 15,5 | 617,65 | 7,4% | Grade A | Trastor REIC | <ul style="list-style-type: none"> Fully let property. |
| 2020 | Attica West | 27,389 | 2,02 | | 8,5% (incl. Development Risk) | | Briq Properties | <ul style="list-style-type: none"> 3 Plots Acquisition for Development of a modern logistics Complex. GBA of 10,955sqm Bought at €200/GBA |
| 2020 | Thessaloniki | 24,000 | 16 | 645,83 | 8,75% | Grade A | Ten Brinke | <ul style="list-style-type: none"> Including 1,500sq.m of office spaces Will be operated by Seagull SA |
| 2020 | Attica East | 12,400 | 9,9 | 798,38 | 7,5% | Grade A | Prodea | <ul style="list-style-type: none"> Fully let property |
| 2020 | Attica West | 58,642 | 23,6 | 503,05 | 8,25% | Grade B | Briq Properties | <ul style="list-style-type: none"> 80% (amount) of Sarmed warehouses Fully let to Sarmed logistics until 2040 |
| 2020 | Attica West | 62,500 | 38 | 608 | 8,2% | Grade A | Premia Properties | <ul style="list-style-type: none"> 3 fully let properties |
| 2020 | Thessaloniki | 30.000 | | | 5,5%-6% | Grade A | Blackstone (BPPEH) | <ul style="list-style-type: none"> Part of a EU portfolio in Nordics and Germany 471.000 sqm Owned and now leased by K+N |
| 2021 | Attica West | 11,634 | 6,9 | 593,1 | 8,5% | Grade A | Trastor REIC | <ul style="list-style-type: none"> Newly built Fully let property |

3PL Logistics Market

The pandemic accelerated a series of changes that have begun to emerge in the supply chain in Greece. The reduction of domestic consumption and industrial production, along with the slow growth patterns in international trade have put a lot of pressure on Greek manufacturers, producers, and traders to lower their costs without reducing performance and service levels. As a result, they have become more positive towards outsourcing their basic logistics operations to reliable 3PLs, by focusing on their core business. The logistics companies in Greece have taken advantage of this opportunity to expand their market share and improve their performance. But still the sector is highly fragmented, and immature described both by lack of quality and sizeable supply but also variation between the level of services offered between the logistics companies in the market.



Inventio Market Peek

The effect of Covid-19 is negligible to modest until now, mainly for prime logistics, especially since the trend of e-commerce expands replacing retail outlets. The greater market prospects (location, new infrastructure projects, Asian markets, e-commerce growth), the lack of quality supply and the limited investment opportunities (in all RE markets) add to the sector interest.

Development activity is to pick up. Foreign investors and as well as locals (REICs) mainly compete for the acquisition of completed prime logistics facilities (size, location, Grade A). Only 13,6% of the companies have facilities in excess of 45,000sqm while 41% have warehouses up to 10,000sqm, limited in their service offering and therefore, to the size of clientele, they can provide such services to.

The development of new supply according to modern standards (size, automation systems, facilities) is necessary for the next phase of progress for the sector. When this happens, lower grade, older and small buildings shall become obsolete.

Market Trends

| Logistics | Rents | Yields | Demand | Supply | Occupancy |
|-----------|-------|--------|--------|--------|-----------|
| Prime | → | ↘ | ↗ | ↗ | → |
| Secondary | → | ↘ | → | ↘ | → |

1. Prime: Grade A, great condition and location, modern facilities

Sources: Elstat, Eurostat, Bank of Greece, The Foundation for Economic & Industrial Research, The World Bank.

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