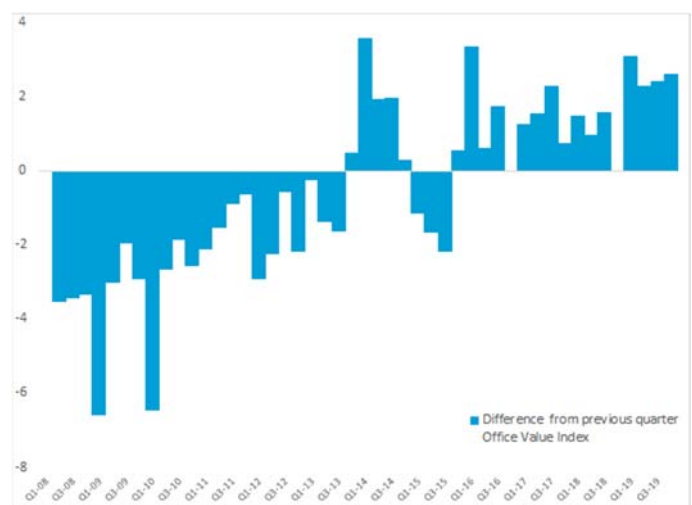
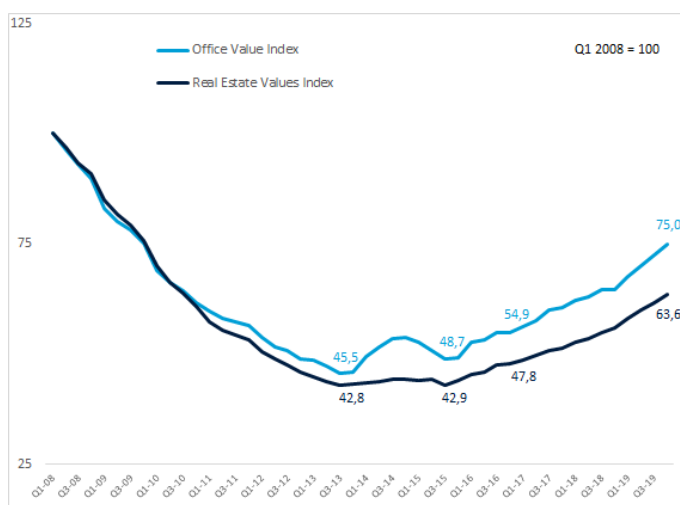


Overview

An investment in Real estate sector is always appealing for institutional and private investors. The Greek real estate market provides significant opportunities, for those willing to navigate a particularly complex business environment. The historical data and the analysis of the market provide relevant points of interest regarding investment opportunities and market timing.

Inventio computes and assesses a Real Estate Value Index for each of the main real estate markets (Office, Commercial, Industrial) for better understanding the changes in the value of assets.

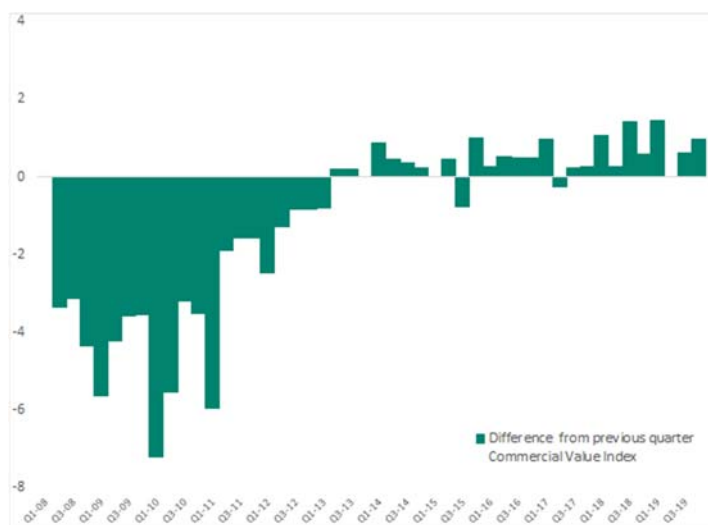
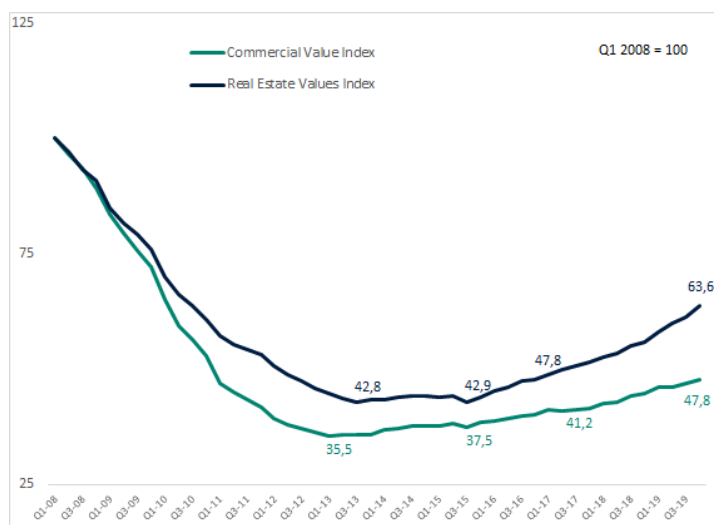
Office Value Index



Office Value Index:

1. The Office Value index recorded a continuous downward trend until Q3 2013, when it bottomed out at 45,5 relative to Q1 2008 (base of 100). During that period, the rental rates were significantly decreased, as many companies closed or removed from Greece, while others relocated to smaller spaces.
2. It seems that the index is more sensitive to Economic expectations, as it slightly increased during 2014 (sense of normality in the Greek markets) before it almost reverted back to its bottom in Q3 2015 (near Grexit).
3. Since Q3 2015, the Office Value index records a smooth upward trend, that can be separated into 3 phases.
4. The first phase was until Q4 2016, mainly a reaction from its bottom with almost zero transaction recorded.
5. The second phase lasted until Q4 2018, as the Greek office market offers higher yield compared to other European countries, attracting the interest of foreign and local REICs (most of them still have substantial amounts of capital to invest).
6. The third phase is still ongoing. Foreign (funds) and local investors (REICs) are competing for the acquisition of good office buildings (size, location, Grade A). The lack of quality stock (size, grade, single building/ownership) drove to the decrease of yield for prime office spaces (still higher than most European capitals). Rental rates also increase while occupancy in Grade A properties remains high.
7. The upward trend of the Index shall continue in the short term mainly due to the lack of quality supply and the positive appetite of investors to enter to the Greek real estate market. A strong growth of the Greek economy (drop of unemployment – increase of rental rates) and the development of new supply (lack of Grade A stock, increase of rental rates, investment product) are essential for the long-term trend continuation.
8. By 2019, the Office Value Index has gained more than 50% from its bottom, but it is still 25% lower from its 2008 peak value. The upward trend is attributed more to yield compression rather than rental increase.

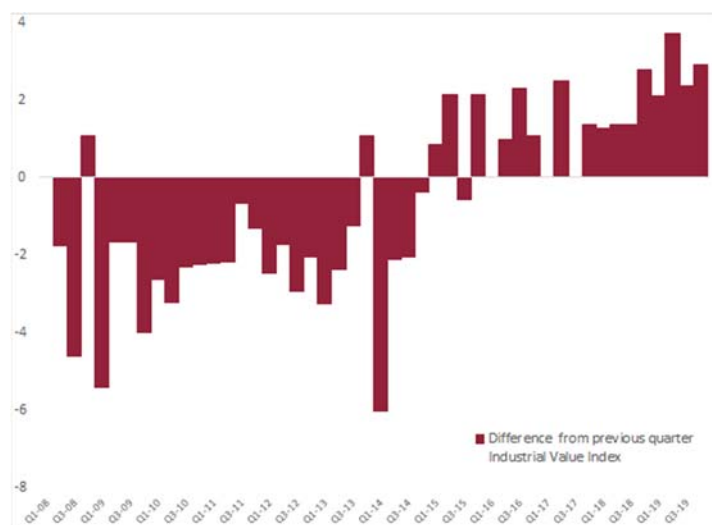
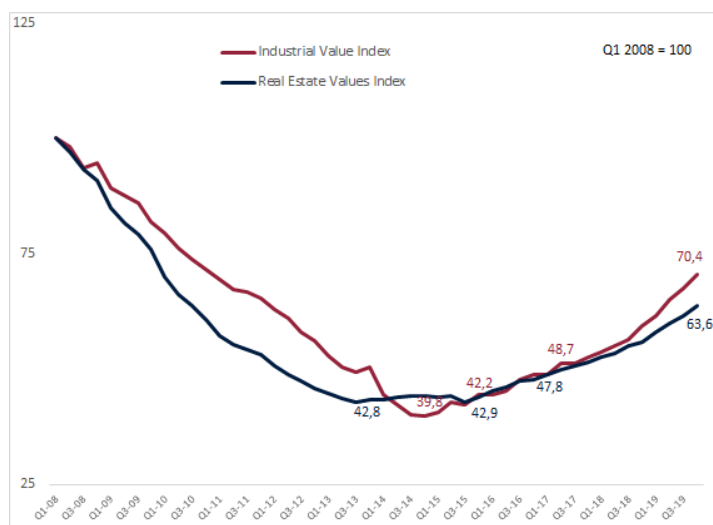
Commercial Value Index



Commercial Value Index:

1. The Commercial Value index recorded a continuous downward trend until Q1 2013 when it bottomed out at 35,5 relative to Q1 2008 (base of 100).
2. The sliding was more intense from Q4 2009 until Q1 2011 when Greeks realized the impact of the crisis at their disposable income. During that period, the rental rates decreased by 50% vs their pre-crisis level whereas many retail shops closed.
3. Since Q1 2013, the Commercial Value index has recorded a weak upward trend with few fluctuations, that can be separated to 2 phases.
4. The first phase was until Q3 2017, mainly a reaction from its bottom with zero transaction recorded as the index is sensitive to the real economy and the consumption power of households that remained subdued.
5. The second phase is still ongoing. The recovery of the Greek economy may have begun but it is still very weak for a reversal of the sentiment in the sector.
6. As consumption is still very low, the sector is not yet so attractive to investors despite the higher yield compared to other European countries and the lowering country risk. The transaction activity in the sector is erratic, only to specific locations and quality standards while the rental rates have just picked up marginally.
7. The real improvement of the household disposable income shall restart the sector and may attract the interest of foreign and local investors searching for appealing returns in the near future.
8. By 2019, the Commercial Value Index stands at 47,5 still 52% lower from its 2008 value and only 30% higher than its bottom. The CVI considerably lags the broad market index. And is expected to do so as long as the purchasing power of Greeks remains at its lows.

Industrial Value Index



Industrial Value Index:

1. The Industrial Value index recorded a continuous downward trend until Q4 2014, when it bottomed out at 39,8 relative to Q1 2008 (base of 100). During that period, the index fluctuated a few times while the downward trend was softer compared to the other sectors. **The reaction of the sector appears to lag 1,5 years.**
2. Between Q4 2014 – Q4 2015, there was no investment activity recorded, with almost zero transactions, while rental rates were at its historical lows and the sector yield at its historical high (c. 12%).
3. Since Q4 2015, the Industrial Value index has recorded a smooth upward trend, that can be separated into 2 phases.
4. The first phase was until Q4 2016, mainly a reaction from its bottom.
5. The second phase is still ongoing and it's a combination of the slightly improvement of the Greek Economy and the realization that Greece has the potential to be a transshipment hub to and from Europe, Africa and Middle East.
6. Until 2012, the sector was driven by the domestic demand and needs while gradually from 2012 and onwards the impact of international trade is becoming more important.
7. COSCO's investment to the Port of Piraeus, the privatizations of Trainose and the partially privatization of the port of Thessaloniki may play a significant role to the transformation of the sector.
8. The sector's potential is very promising and already attracts the interest of foreign and local investors despite the sector's weaknesses (internal demand still low, logistics regulation under development, lack of grade A warehouses, bureaucracy and long and complex procedures for new investment and privatization programs).
9. The upward trend of the Index may continue in the short term while the implementation of the announced developments will boost the sector's performance.
10. By 2019, the Industrial Value Index is already c. 75% higher from its bottom, but it is still 30% lower from its 2008 value.

Macro Event's Calendar			
Period	Macro Events		EEI
2008 - Q3 2009	Financing Issues – Beginning of the crisis	↓	Uncertainty pick up
Q4 2009 - Q2 2010	Elections	↗	Dead cat bounce
Q3 2010 - Q1 2012	First Program	↘	Negative expectations persist
Q2 2012	Failed Election	↓	Negativity bottoms out
Q3 2012 - Q3 2014	Elections – Signing of new agreement	↗	Expectations improve with ups and downs
Q4 2014 - Q2 2015	Elections – near GREXIT	↓	Reemergence of uncertainty
Q3 2015 - Q2 2017	Elections – Signing of new agreement	↗	Positive expectations build up
Q3 2017 - Q2 2018	Moderate growth – Investors hesitancy	↘	Realization time- adjustment of Expectations
Q3 2018 - Q1 2019	End of memorandums – Long pre-election period	↗	Wait and see attitude
Q2 2019	EU Elections – Announcement for National Elections in July	↗	Positive expectations
Q3 2019 - Q4 2019	Elections – Positive momentum in international and domestic markets	↑	Positive International and domestic expectations

Methodology

Real Estate Values Index:

Analysis of the historical real estate yields and rents in the main real estate markets (retail, industrial and office) for calculating the value of an indicative asset. Q1 2008 = 100

Sources: Elstat, Eurostat, Bank of Greece

Disclaimer:

This documentation is issued for information purposes only. Information contained herein has been obtained from sources believed to be reliable but have not been independently verified. There is no guarantee, representation or warranty provided and no responsibility or liability accepted as to the accuracy of the information or its completeness. Expressions of opinion herein are subject to change without notice. The contents of this presentation relate to potential investment considerations that may involve substantial risks, such as the risk to lose part of or all the investment, the absence of a regular market and illiquidity. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe to any investment or service. The prior written consent of Inventio Consulting is required before this report can be reproduced/ distributed or otherwise referred to in whole or in part.

Inventio Consulting, All Rights Reserved.