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Equity Research | Greece

REICs | Sector Analysis

# Greek REICs

PRODr.AT / PRODEA GA – PREMr.AT / PREMIA GA
BRIQ.AT / BRIQ GA – PREr.AT / TRASTOR GA – TRESTATESr.AT / TRESTATE GA

**This note is our initial attempt to present the outlook and some key characteristics of the domestic real estate market and the REICs sector in particular. We believe the REICs sector will attract a lot of investor interest in the foreseeable future as Greece keeps recovering after a prolonged crisis, enjoying at the moment a stable political environment and strong economic prospects, reflected among others in the recent upgrade to investment grade status. We intend to update the relevant info on a regular basis and discuss key topics for the sector so as to keep investors up to date with all important developments.**

## Domestic real estate outlook

The Greek real estate market has been recovering strongly after a 10-year slump caused by the domestic fiscal crisis and a deep recession. Looking ahead, we expect the positive trajectory to continue, driven by strong economic trends, continued FDI inflows partly due to the home sharing economy and strong tourism trends, and bank leverage potential. Compared to other EU countries, rental yields remain higher despite their decline during the last years, suggesting room for upside in market values.

## Domestic REIC market

The domestic market includes nine Real Estate Investment Companies (REICs), specialized in acquiring, managing, developing and investing in real estate and financial markets. Seven of these REICs are publicly listed on the Athens Exchange, namely Prodea Investments, BriQ Properties, Premia Properties, Trastor, Ble Kerdos, Intercontinental International, and Trade Estates which recently completed its IPO and commenced trading on the AthEx. The other two REICs, Orilina Properties, and Noval Property, are expected to conduct an IPO in the coming period. We note there is an agreement in place for the merger through absorption of ICI with BriQ.

## REIC portfolio characteristics

Greek REICs are rapidly expanding their portfolios during the last years, and they will keep doing so on the back of well-defined investment pipelines aiming to address market demand. Their existing portfolio is diversified, with a bigger part linked to offices/mixed use properties (47%) and retail/bank branches (29%). Meanwhile, the logistics sector (15%) is increasing its attractiveness around the market, with a new sector (data centers) on the horizon, we believe. Total GAV for the main listed companies reached ca € 3.9bn as of H1 2023.

## Valuation

European REITs have historically been trading at ca 1.0x P/NAV (20yrs avg) and at a 10% discount to NAV over the last 5yrs. More recently the discount to NAV widened, now standing at ca 30%, one of the largest in two decades. This is attributable to rising interest rates, concerns about the real estate market, and changes in consumer behavior, we believe. Greek REICs have been trading at a discount to NAV for the most part of last years and at a wider one currently (i.e., ca 20-30%). We see this as a potential investment opportunity given the prospects of the domestic real estate market, especially upon interest rates normalization at some point and market liquidity improvement.

## Companies section

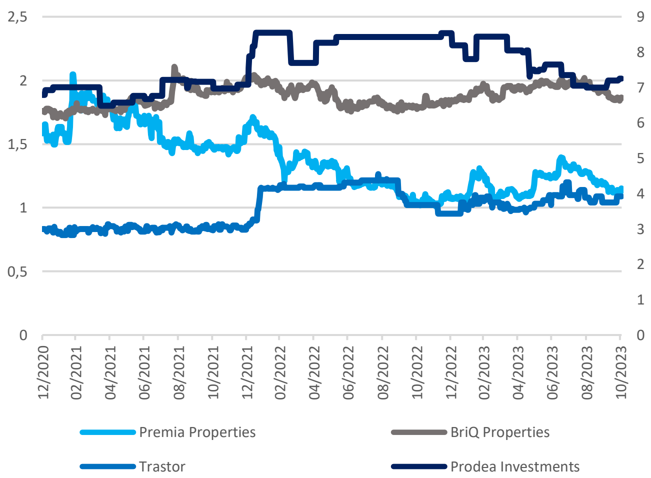
In this note we include six of the largest REICs namely Prodea, Trastor, Premia, BriQ, Trade Estates and Noval Property. In the companies' section we present their portfolio characteristics, key financial metrics, their strategy, as well as management team, shareholder structure and corporate governance information.

**Greek REICs**

Listed & Non Listed Universe

| Key Metrics (H1 2023) | BriQ Properties * | Noval Property | Premia Properties | Prodea Investments | Trade Estates** | Trastor |
|---|---|---|---|---|---|---|
| GAV (€ mn) | 142 | 527 | 286 | 2.575 | 457 | 419 |
| NAV (€ mn) | 100 | 387 | 145 | 1.500 | 242 | 236 |
| Market Cap. (€ mn) | 68 | - | 99 | 1.865 | 209 | 169 |
| Dividend Yield (as of FY2022) | 5.3% | - | 2.2% | 4.4% | - | 2.1% |
| Discount/Premium to NAV | -32,6% | - | -32,1% | 25,0% | -13,5% | -28,4% |
| Gross Rental Yield | 7.0% | 7.2% | 7.4% | 6.8% | 7.0% | 5.7% |
| LTV | 26.5% | 40.8% | 62.0% | 52.2% | 40.5% | 50.0% |
| Net LTV | 24.4% | 27.9% | 48.6% | 48.5% | 36.1% | 44.7% |
| Occupancy Rate | 99% | 97% | 100% | 93% | 98% | 93% |
| WAULT (years) | 7,0 | 9.5 | 7.2 | 11,3 | 12.2 | 4,0 |
| **Portfolio Highlights (H1 2023)** | | | | | | |
| Number of Properties | 26 | 62 | 52 | 378 | 14 | 53 |
| Offices | 26% | 32% | - | 45% | - | 56% |
| Retail | 2% | 33% | 6% | 18% | 89% | 13% |
| Logistics / Industrial | 50% | 7% | 73% | 5% | 11% | 19% |
| Residential | - | 1% | 11% | - | - | - |
| Bank Branches | - | - | - | 16% | - | - |
| Hospitality | 20% | 8% | - | 11% | - | - |
| Mixed Use/Special Use/Other | 2% | 19% | 10% | 5% | - | 12% |

Source: AF Research, Companies / * as of 9M 2023, ** pro-forma for Smart Part acquisition




** Prodea linked to secondary axis*

**Andreas Mavridis**
Equity Analyst
andreas.mavridis@alphafinance.gr
T +30 210 367 7534

**Panagiotis Kladis, CFA**
Director Equity Research
panagiotis.kladis@alphafinance.gr
T +30 210 367 7547

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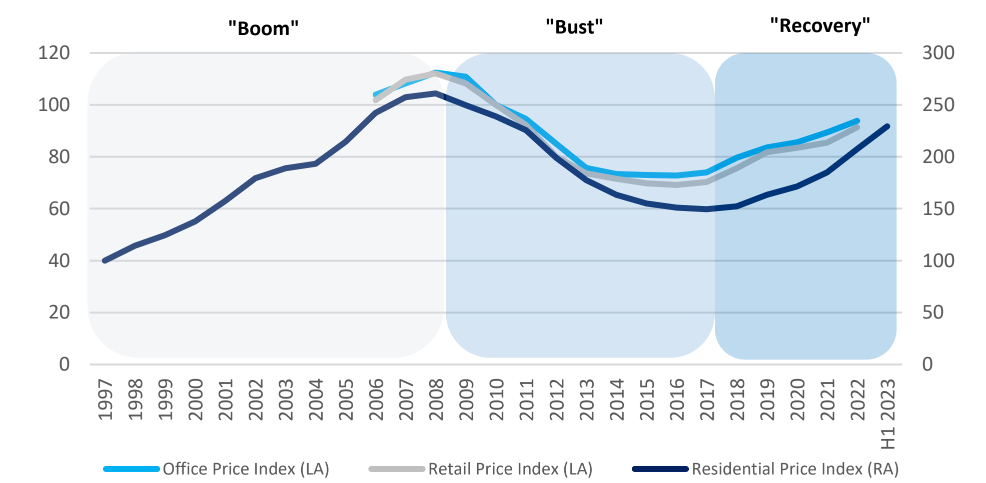
# A. Greek Real Estate Outlook

### Real estate market in a recovery mode

The real estate market in Greece has been recovering at a strong pace since 2016-17 after experiencing a 10-year slump between 2007-2017 due to the domestic fiscal crisis which triggered a deep recession (GDP lost c.30% between 2008-2015). In our view, the key factors underpinning the last years' recovery were mainly i) net FDI increasing ii) Golden Visa Program, iii) political stability and supportive policies, and iv) improving sentiment on the country's prospects (i.e. partly due to elimination of Grexit risk). We discuss all these factors in more detail in this note.

**Exhibit A.1.** Greek property market (1997-2023)




Source: AF Research, Bank of Greece, Alpha Bank

The "Boom": a period affected by a variety of positive drivers, all in all creating an upward momentum

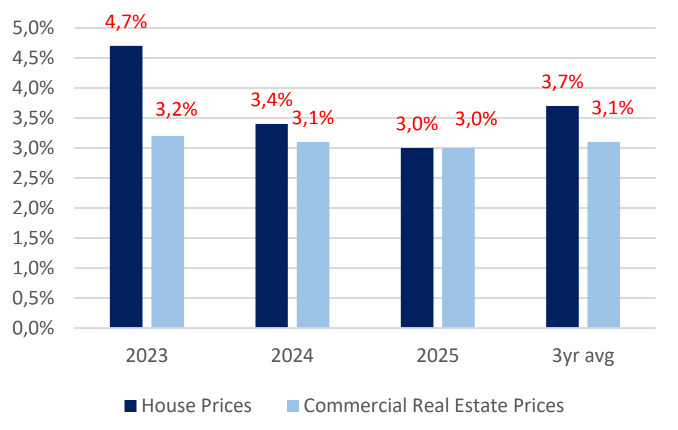
The "Bust": the start of an economic crisis compounded by an unfavorable political environment and the risk of exiting the Eurozone

The "Recovery": on the back of elimination of 'country risks', attractive prices and positive macro prospects

### Looking ahead we see positive prospects

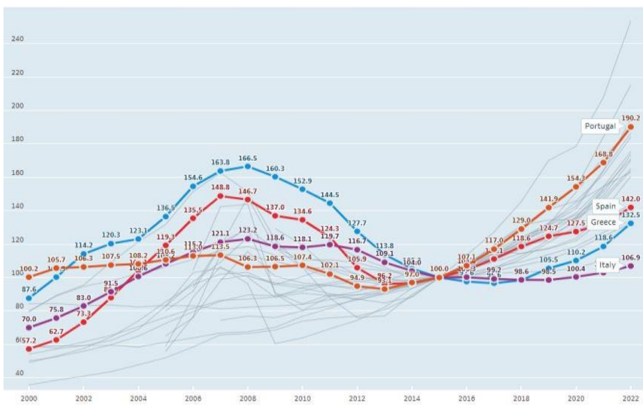
We expect last years' resurgence to continue on the back of the following key factors: i) the continuation of strong GDP growth rates, ii) the growth of the home sharing economy, iii) continuation of the foreign direct investment (FDI) inflows into the real estate sector, iv) strong tourism trends and v) bank leverage potential. The baseline scenario of the European Commission used for the stress test of the domestic banking sector is indicative of the prospects ahead we believe. (Exhibit A.2). In addition, when compared to other EU countries, the recent recovery is much milder when looking at the housing market. During the "Boom" phase Greece was a top performer in the real estate market, with housing prices reaching all-time highs, above Italy, Spain, and Portugal in 2008. Currently Greece sits under Spain and Portugal and much of the rest of the European Union countries in the housing prices, potentially suggesting more room for upside (Exhibit A.3).

**Exhibit A.2.** Greek real estate market to keep growing as per the ECB estimates




Source: AF Research, EC, EBA

**Exhibit A.3.** Housing market recovery relatively contained when compared to other EU countries

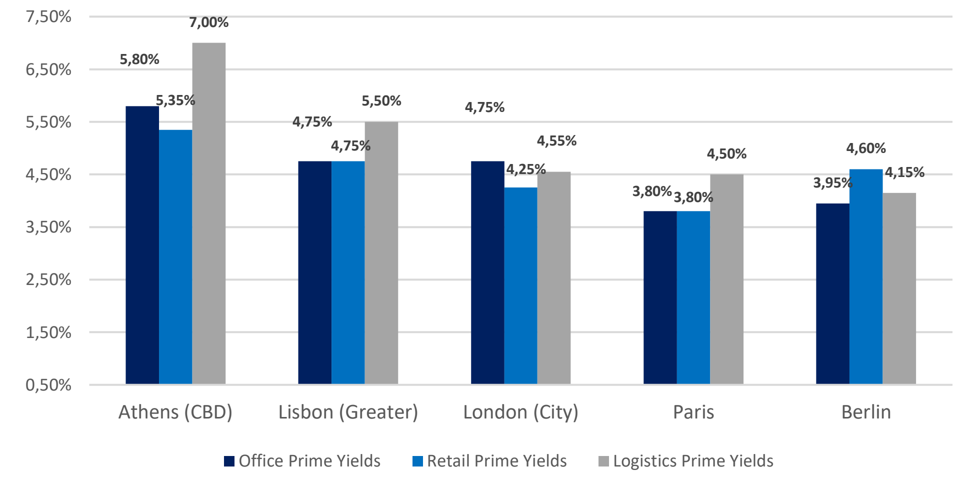



Source: AF Research, Eurostat

**Real estate yields on a declining mode, but still above key European cities**

Real estate yields in Greece have dropped significantly since 2013. Specifically, prime office yield trends in Athens have dropped to 5.8% in Q2 2023, while at the peak they were ranging between 8%-10%. Prime high street retail and prime warehousing and logistics yields indicate a similar downward trend, dropping to around 5.35% and 6.8% respectively. Even though real estate yields in Greece have dropped to healthier levels, the country is still behind some key European cities (Exhibit B.3), and although the margin is shrinking, some further drop is reasonable in our view.

**Exhibit A.4.** Real estate yields comparison (Q2 2023)




Source: AF Research, Cushman & Wakefield

Athens remains at higher levels in comparison to London, Paris & Berlin

Logistics prime yields remain one of the highest in Europe

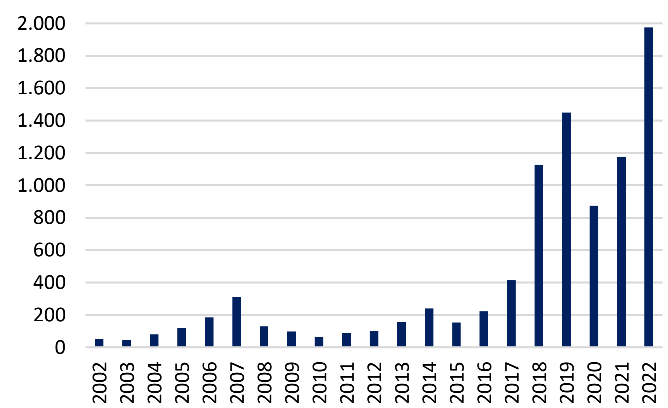
Lisbon remains higher in logistics prime yield compared to London, Paris and Berlin but still below Athens

A further decline in yields is reasonable, we believe

**Strong recovery of FDI on real estate market driven by …**

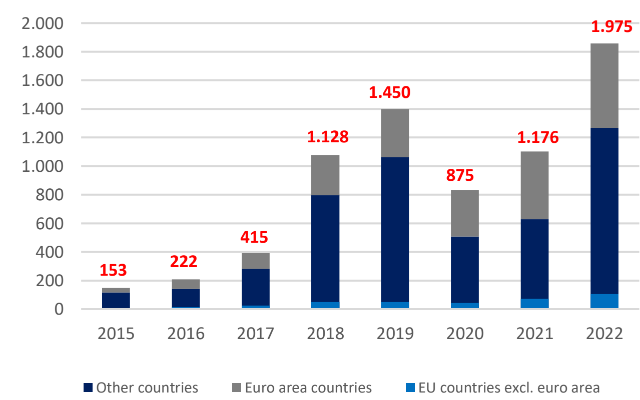
Net foreign direct investment towards the Greek real estate market has been increasing on a yearly basis since 2016. The real estate market accounts for about 25%-35% of total foreign direct investment with the latter increasing by 45.3% in 2016, 86.5% in 2017, 172.1% in 2018 and 28.5% in 2019. During 2020, which was the start of the pandemic, net FDI saw a slowdown, decreasing 39.6% compared to the previous year. Since 2020, the positive trends of foreign direct investment in the Greek real estate market resumed, with a 34.4% increase in 2021 and 67.9% in 2022. The Bank of Greece recorded a notable 68.0% increase in net funds for property purchases by foreign investors, totaling €1.97bn in 2022 compared to €1.17bn in 2021. Golden visas, sharing economy and strong tourism trends are seen as the key drivers as we discuss below.

**Exhibit A.5.** Net FDI towards real estate 2002-2022 (in € mn)




Source: AF Research, Bank of Greece

**Exhibit A.6.** Net FDI in real estate by EU/Non-EU 2015-2022 (in €mn)




Source: AF Research, Bank of Greece

**…Golden Visas…**

The Golden Visa program has brought a lot of foreign investments to Greece. From 2014 to 2021, Greece granted 28,767 Golden Visa permits, including dependents, to main applicants who invested over €2.6bn. The golden visa program allows non-EU residents to invest in Greek real estate by purchasing property that has value of at least €250,000, with investment in some municipalities requiring at least €500,000 as per a recent amendment. In more detail, the program, which was launched in 2014, allows applicants 5-year residence permits with the purchase of residential or commercial real estate in the country. Greece has the lowest required investment amount in real estate among its EU peers. Moreover, the investors could receive permanent residence after 5 years and then sell the property. After another 2 years, the permanent resident can apply for citizenship. During the 2017-2021 period, EU buyers' investments amounted to €2.45bn for the period and non-EU buyers invested approximately €4.54bn. The increase of the minimum investment limit to €500,000 in selected areas of Athens, the northern and southern suburbs, Mykonos, Santorini, and the Municipality of Thessaloniki has sparked a significant rise in property transactions, attracting considerable interest from investors.

The Greek Ministry of Migration and Asylum reported a significant increase in the issuance of "golden visas" in 2022, with 2,767 visas granted compared to 1,525 in 2021. The first quarter of 2023 saw a significant increase in the number of new permits issued, up by 141% compared to the same period last year. This trend suggests that the total number of golden visa permits granted in 2023 could exceed 4,000. Additionally, the number of requests for permanent investor residence permits rose by 156% in the first three months of 2023, reaching 2,367. The recent discontinuation of similar programs in Portugal and potentially Spain has made Greece, along with Cyprus and Malta, particularly appealing to third-country investors. Indicatively, online searches related to Greece's program experienced a significant surge of 34.1% in May 2023, partially influenced by the end of Portugal's program.

**…home sharing platforms/strong tourism trends**
According to data presented by the Greek Property Managers Association (PASIDA), the number of properties offered for short-term tourist rentals online increased in 2022. In comparison to pre-pandemic 2019, the number rose from 136,658 to 144,857. Additionally, overnight stays experienced a 6% growth. The data revealed that there are currently around 150,000 properties available for short-term rental in Greece. Out of these, c. 10,500 are in downtown Athens. According to preliminary data published by the INSETE, international airport arrivals in Greece for the Jan-Aug 2023 period, reached 17.4mn (+12.4% vs the same period of 2022 and +11% compared to 2019). This is yet another indication that we are heading for a record year for Greek tourism with positive implications for the domestic economic activity.

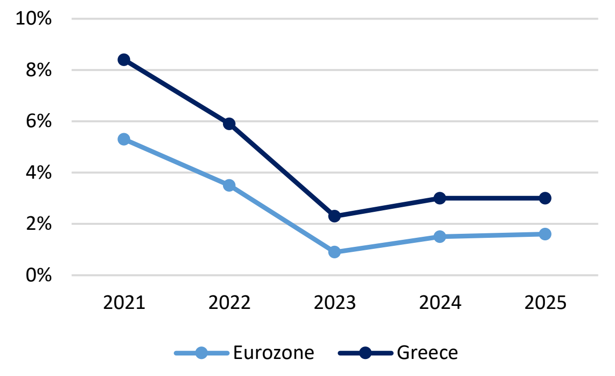
**Political stability and policies also supportive as opposed to the 2010-2016 period**
Political stability in Greece has been instrumental in the recovery of the real estate market. It has boosted investor confidence, ensured policy continuity, facilitated the implementation of government initiatives and incentives, enhanced Greece's international reputation, supported economic stability, and contributed to a positive image and branding for the country. With a stable political environment, Greece has become an attractive investment destination, attracting both domestic and foreign investors to the real estate market and driving its recovery.

The government has implemented several measures to boost the housing market in addition to the Golden Visa program. These measures include the suspension of VAT payments on new building permits and unsold properties constructed after January 1, 2006 and up to YE 2024. Furthermore, the government abolished real estate tax in 26 islands in 2020 and reduced the single property tax (ENFIA) in 2019. The ENFIA reduction varied based on property value, with further reductions applied in 2020. In February 2022, the Prime Minister announced an additional 13% reduction of ENFIA. According to the statistics of the Independent Authority for Public Revenue (AADE), ENFIA dues for this year have decreased by 34.3% compared to what individual taxpayers paid in 2018.

**Strong macroeconomic prospects for 2023 and beyond**
The macroeconomic backdrop is expected to remain quite supportive as the Greek economy keeps recovering after its prolonged domestic crisis and the subsequent pandemic and energy crisis. Most analysts have raised their estimates for 2023 with many now expecting a growth rate north of 2% vs less than 1% at the beginning of the year. According to FinMin estimates the Greek economy is expected to grow by ca 2.3% this year and by 3% over the next two years up to 2025, ie at higher rates compared to most EU countries and by far from the average growth rate of the Eurozone.

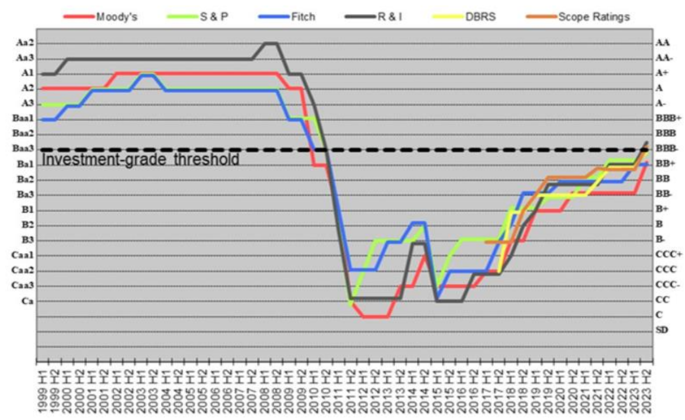
The recent re-election of a pro-market government with a comfortable majority is expected to underpin the country's growth prospects, in our view, especially given the ongoing effort to change the country's economic model towards investment-led growth. Moreover, the country's return investment grade status from rating agencies along with the anticipated structural reforms should pave the way for more investments in the country and potentially higher quality investors and tenants for the real estate assets.

**Exhibit A.7.** GDP to grow by ca 3% in 2024-25 much higher than the Eurozone average




Source: AF Research, EC, Greek FinMin

**Exhibit A.8.** Greece's return to IG status after more than a decade

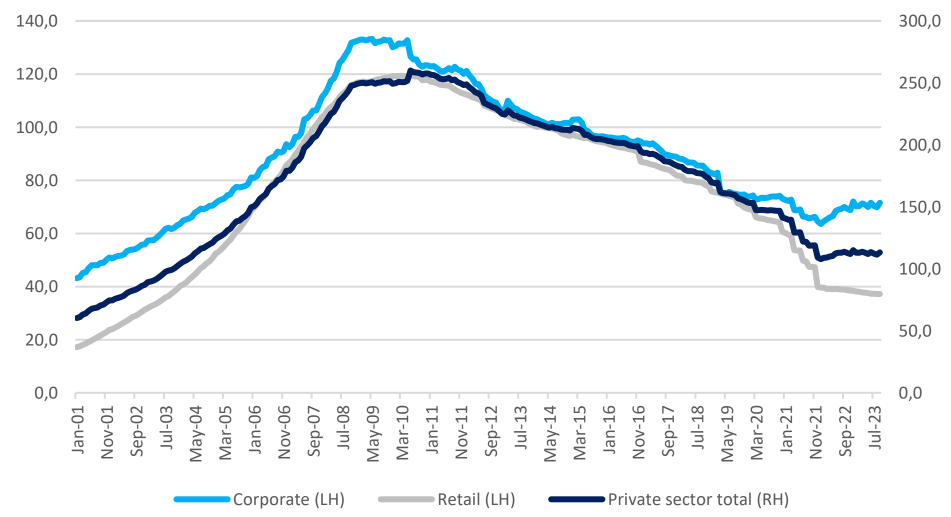



Source: AF Research, PDMA

**Acceleration of credit growth should support RE prices**

Interestingly, the real estate market recovery throughout the last years was credit less to a great extent. Greek banks have been struggling for years with asset quality, liquidity and capital problems owing to the domestic crisis, thus imposing extremely strict criteria for any new lending. As a result, credit to the private sector remained on a negative trajectory for years before returning to positive grounds only in 2021 and only on corporate loans. Loans to retail remain on a negative trajectory even as of now. An acceleration of credit growth as banks are now much healthier and willing to underwrite new credit could be supportive for real estate prices in the medium to longer term, in our view.

**Exhibit A.9.** Bank credit (2001-2023)




Source: AF Research, Bank of Greece, Alpha Bank

The bank credit in Greece has remained on a negative trajectory during the previous decade, suggesting a potential supportive factor in the future

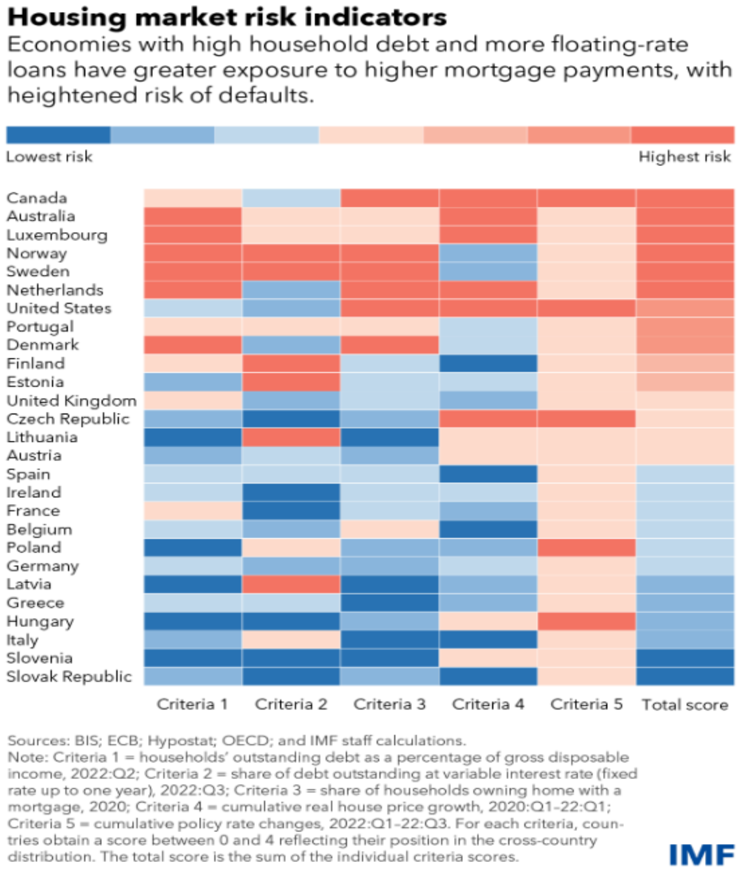
Business loans have seen an increase in recent years but are still well below the level of 2010

Housing loans have remained behind, a catch-up effect we expect to see in the coming years, boosting the recovery further

**Prospects for the residential segment**

We are of the view that the majority of the aforementioned factors will remain supportive for the residential market over the medium term. The positive macro trends should improve households' affordability which coupled with the potential acceleration of bank lending should keep demand at high levels. We note that recently, the IMF placed Greece on the lower end of the risk chart in its comparison of economies with high household debt and more floating-rate loans which have greater exposure to higher mortgage payments and thus heightened risk defaults.

**Exhibit A.10.** Housing market risk by country




Source: AF Research, IMF

**Prospects for commercial real estate properties**

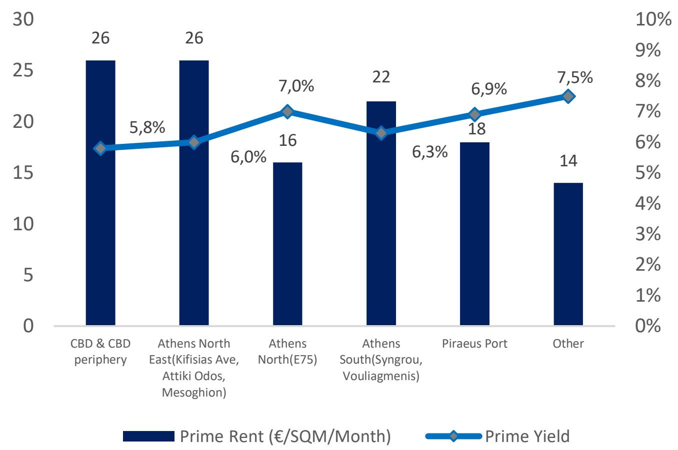
The positive macro cycle coupled with strong tourism trends should also be supportive for commercial real estate properties, in our view. We see a direct impact from the strong tourism trends and the development of the Ellinikon land plot in the hospitality industry and the commercial stores, which should also be underpinned by the anticipated increase in the disposable income.

**Office sector**

Demand for offices should remain strong on the back of the positive economic cycle and the prospect for structural reforms which could attract more tenants and of higher quality; the current government is actively pursuing investments having achieved some commitments with some global scale firms such as Microsoft, Amazon, Pfizer, just to name a few. While there should be some structural headwinds owing to the 'work-from-home' trend post pandemic, we understand that the supply is still limited while demand for offices with high green/sustainability standards should remain a catalyst in the short-to-medium term.

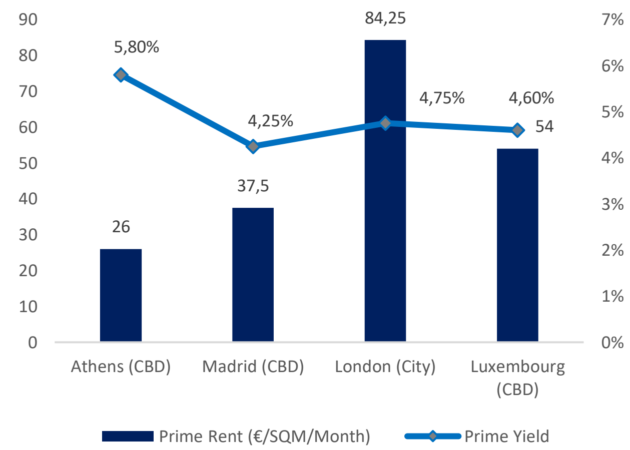
Indicatively, in Q1 2023, the office market saw robust leasing activity, surpassing the 5-year average by around 50% with approximately 40,000 sqm leased. Business services and State sectors drove the leasing activity, with grade A- and B buildings accounting for 80% of occupancy due to limited availability of A+ spaces. Tenants prioritize high-spec, sustainable office spaces, and renovated older spaces are marketed.

**Exhibit A.11.** Athens Q2 2023 Office prime rent (€/sqm/month) & yields (%)




Source: AF Research, Cushman & Wakefield

**Exhibit A.12.** Q2 2023 Office prime rents (€/sqm/month) & yields (%)

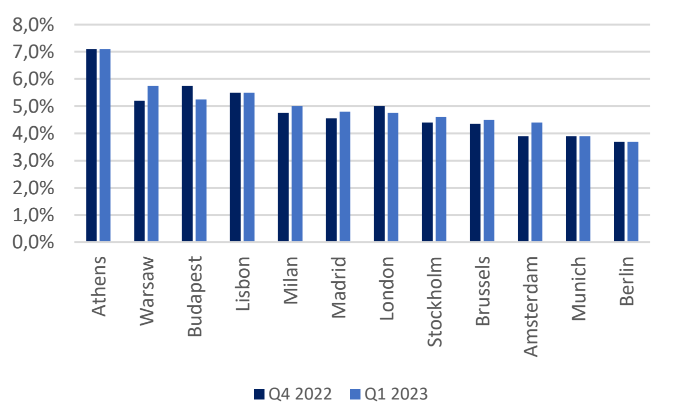



Source: AF Research, Cushman & Wakefield

**Logistics sector**

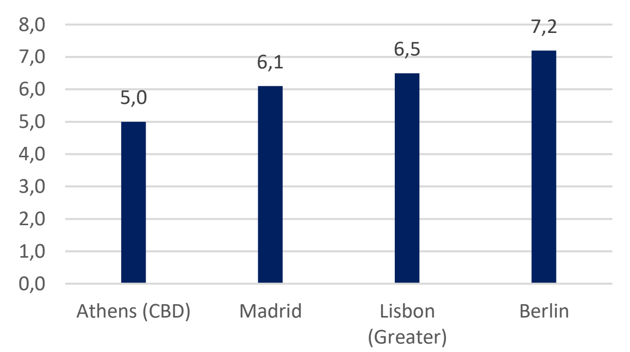
Limited new space availability is expected to further boost demand for logistics facilities. There is also a high demand for LEED-certified logistics buildings as companies prioritize 'greener' assets and activities, enabling REICs to take advantage of this trend. Some of the domestic REICs shifted from leased warehouses to high-spec logistics centers on large land plots to meet demand and boost rental income. The Greek logistics market still offers higher yields than mature European countries. We thus expect yields to keep compressing as the domestic market develops, reflecting upside potential. Despite potential global economic challenges, we are of the view that the Greek logistics market will stay resilient, offering competitive yields and sustainable rental levels for investors.

**Exhibit A.13.** Q4 2022 vs Q1 2023 Logistics prime yields (%)




Source: AF Research, Cushman & Wakefield

**Exhibit A.14.** Q2 2023 Logistics prime rents (€/SQM/Month)



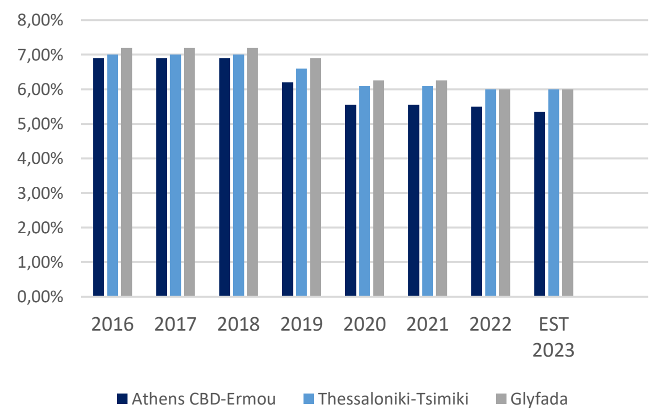

Source: AF Research, Cushman & Wakefield

Logistics investments in Greece has also taken an upswing, partly due to the pandemic and improvements at the port of Piraeus that have further amplified this appeal, along with the shifting dynamics of e-commerce. While there is currently a scarcity of large-scale logistics facilities in the country, the supply of warehouses in the Attica region is on the rise to meet market demand. Greek REICs are expected to develop over 130,000 square meters of new warehouse space by 2023.

**Retail sector**

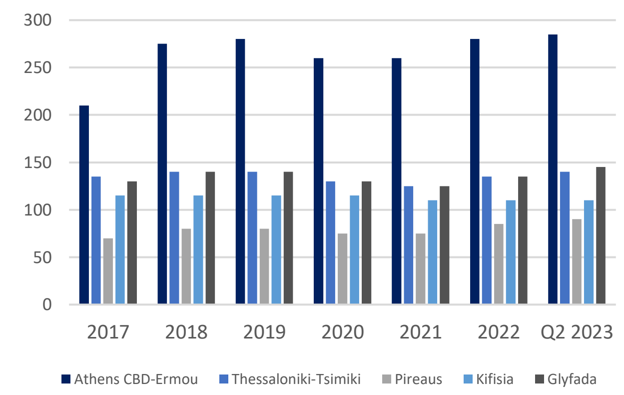
Limited supply in buildings is a continued trend seen also in the retail real estate market space, with the demand for physical retail increasing since the beginning of the year but limited in supply in shopping centers and other retail stores. Rents continued to remain strong as increases in prime areas like Kolonaki and Glyfada in Athens increased due to the limited supply. Rental yields are on a declining trend since 2016 but remain well above other key European cities suggesting further room for decline.

**Exhibit A.15.** 2016 - 2023 Retail prime yields (%)




Source: AF Research, Cushman & Wakefield

**Exhibit A.16.** 2017- Q2 2023 Retail prime rents (€/SQM/Month)




Source: AF Research, Cushman & Wakefield

**A new sector on the horizon**

We view data centers as the next investment opportunity that Greece has to offer, not only for Greek companies but for foreign companies as well. As the country had recently returned to investment grade status, we believe that more companies from abroad will continue bringing their business to Greece. Companies like Microsoft and Amazon announced plans to build data centers in Greece, which are expected to be built in the coming years, supporting their cloud infrastructure. Greece is a thriving ecosystem for startups and could evolve into one of Europe's next big tech hubs. With more technology companies entering Greece, there will be an opportunity for REICs along with developers to acquire and build the infrastructure needed to support big data and cloud computing.

## B. Brief history of the Greek Real Estate Market

### A real estate boom followed by a sharp correction

**The Boom**

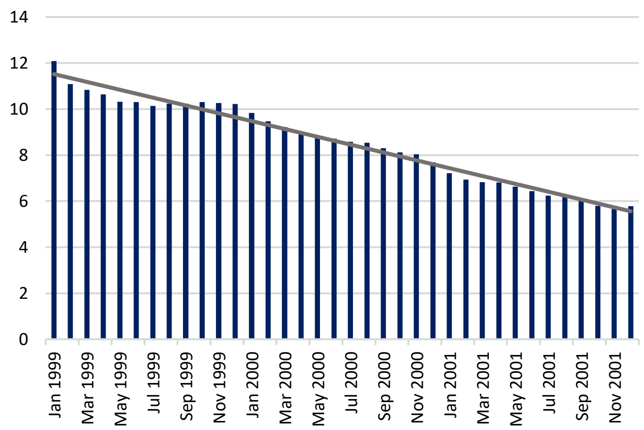
In the decade before the domestic crisis, the real estate market was booming because of i) the credit liberalization and cheaper financing following the country's entrance in the Eurozone, ii) the high GDP growth rates, iii) infrastructure development, and iv) access to EU funding. With the ease of access to housing lending, it was much easier to supply the loans and keep up with demand. People were acquiring homes in Greece at a rapid pace as many believed it was a move to keep their money safe and own a home, hitting two birds with one stone. The aforementioned factors were also supportive for commercial and office spaces, which were also on the rise.

**Credit Liberalization and cheaper financing following the country's entrance in the Eurozone**

The mid-1990s saw commercial banks receiving permission to offer housing loans, providing individuals and families access to liquidity for their housing needs. The adoption of the euro by Greece in 2001 resulted in a significant drop in interest rates, making bank loans highly appealing to borrowers (Exhibit B.1).

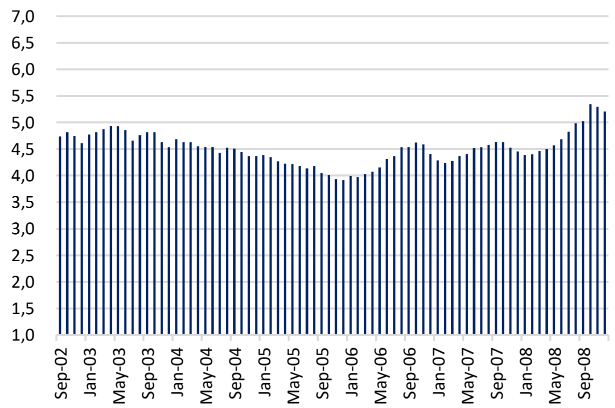
According to the Bank of Greece's official data, the outstanding balance of house loans increased from 734 billion drachmas in 1994 to 1,972 billion drachmas in November 1999. In other words, they increased by 22% CAGR. The share of housing loans as a percentage of total bank loans to the private sector rose from 15.7% in 1994 to 17.1% in 1999.

**Exhibit B.1.** Average Mortgage Loans' Interest Rates (1999-2001)




Source: AF Research, Bank of Greece

**Exhibit B.2.** Average Mortgage Loans' Interest Rates (2002-2008)

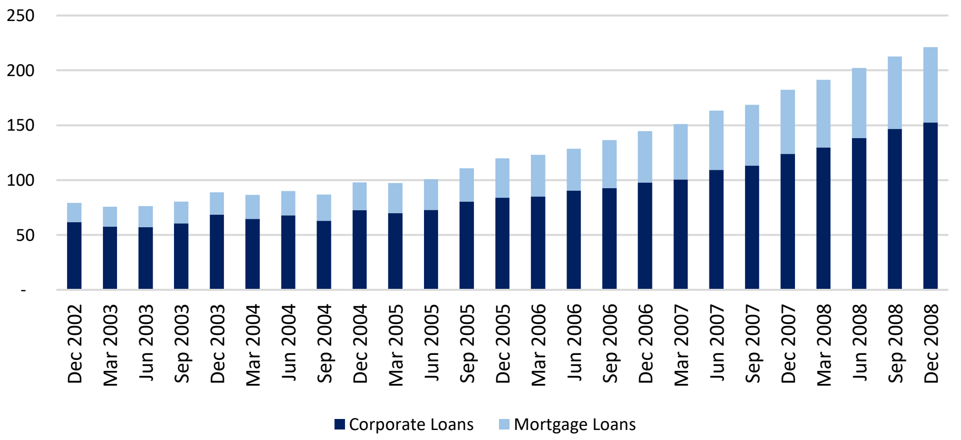



Source: AF Research, Bank of Greece

During the period from 2002 to 2008, Greece experienced significant growth in both corporate and mortgage loans. The ratio between these two types of loans shifted over time, reflecting the changing dynamics of the Greek economy and the lending landscape. In the early 2000s, corporate borrowing in Greece was relatively high as the economy experienced robust growth. The expansionary phase saw increased business activity, leading to a greater demand for credit by corporations. Banks provided loans to finance corporate investments, expansion plans, and working capital needs. The ratio of corporate loans to total loans in the banking sector during this period was significant, reaching ca 60% of total loans in December 2008, reflecting the importance of business financing.

The period from 2002 to 2008 also witnessed a surge in mortgage lending in Greece. Low interest rates, increased consumer confidence, and a booming real estate market fueled the demand for residential properties. Banks responded by offering mortgage loans to meet the growing appetite for home ownership. The ratio of mortgage loans to total loans in the banking sector experienced substantial growth, indicating the rising significance of housing finance. The ratio between corporate and mortgage loans in Greece from 2002 to 2008 reflected the dual dynamics of a thriving corporate sector and an active real estate market. More specifically, mortgage loans represented 21% of total bank loans in December 2002. This percentage reached 31% in December 2008.

**Exhibit B.3.** Bank lending evolution (2002-2008)



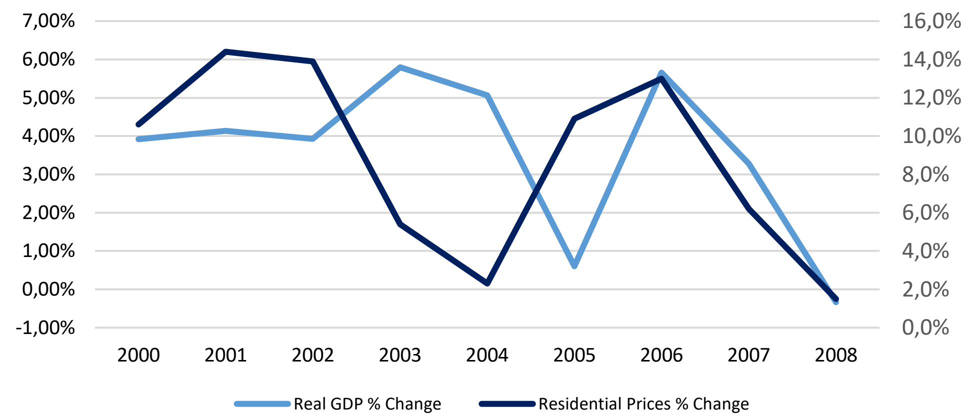

*Amounts in Billions (€)*
Source: AF Research, Bank of Greece

## High GDP growth rates

Prior to the onset of the 2008 economic crisis, Greece demonstrated a noteworthy period of economic expansion. The positive influence of Greece's integration into the Eurozone in 2001 played a significant role in underpinning this growth. The country's accession to the Eurozone resulted in increased foreign investments, structural EU funding and enhanced access to global markets.

Starting from the early 2000s until the crisis unfolded, the country maintained robust GDP growth rates, primarily attributed to key drivers such as heightened consumer expenditure, a notable upsurge in tourism and a flourishing construction industry. The latter was boosted by the staging of the 2004 Summer Olympics in Athens and increased investments in infrastructural ventures. Within this timeframe, Greece experienced an average annual GDP growth rate of approximately 4% with the disposable income also increased cumulative by an avg c. 59% from 2001 to 2008.

**Exhibit B.4.** Housing prices & real GDP (2000-2008)




Source: AF Research, Bank of Greece

## Infrastructure development

Infrastructure development in Greece from 2000 to 2008 had a significant impact on the real estate market. The hosting of the 2004 Summer Olympics in Athens fueled extensive investments in infrastructure, with an estimated €9bn spent on Olympic-related projects, according to the General Accounting Office. This included the construction of Olympic venues, stadiums, transportation networks, and urban redevelopment projects. The improvements aimed to enhance Athens' infrastructure capacity for the Games and improve long-term attractiveness, leading to a boost in construction activities and the supply of real estate.

Transportation infrastructure also received considerable attention. Investments were made to expand and upgrade roadways, highways, and the capital's airport. The construction of the Eleftherios Venizelos International Airport in Athens, which opened in 2001, involved an investment of approximately €2.3bn. These transportation improvements not only facilitated travel within Greece but also enhanced connectivity with other countries, supporting economic growth and stimulating the real estate market in regions with improved accessibility.

Urban regeneration projects were undertaken to revitalize city centers and older neighborhoods. Investments were made in renovating buildings, improving public spaces, and upgrading infrastructure in urban areas. The urban regeneration projects launched in 2003 aimed to enhance the attractiveness of the city, leading to increased property values.

**Access to EU funding**
The availability of EU funds facilitated transportation and infrastructure development in Greece. Funding from initiatives like the Trans-European Transport Networks (TEN-T) contributed to the improvement of roadways, highways, and airports. These developments enhanced connectivity and accessibility, leading to increased property value in regions with improved transportation networks. EU funding, including the Structural and Cohesion Funds (2000-2006), played a significant role in supporting infrastructure development and urban regeneration projects in Greece.

These funds aimed to reduce regional disparities and promote economic development. They provided financial assistance for initiatives such as urban revitalization, renovation of historical buildings, and upgrading of urban infrastructure. This support enhanced the attractiveness of properties in urban areas and stimulated economic activity. Additionally, the Cohesion Policy provided significant financial assistance for infrastructure projects, further boosting the real estate sector by attracting business investments and supporting property development.

**The Bust**
The Greek economic crisis had a detrimental impact on the Greek real estate market. The drop in GDP resulted in decreased demand, an increased supply of properties, difficulties in loan repayment, a decline in foreign investment, and challenges related to legal and bureaucratic processes. Additionally, the risk of Grexit created uncertainty and led to investor hesitancy, capital flight, decreased property values, limited access to credit, and volatility in the rental market. The reduction in lending by banks further constrained purchasing power, restricted credit access for individuals and developers, slowed construction, increased distressed property inventory, and created investor reluctance. These factors collectively contributed to a significant decline in property prices and an overall unfavorable environment for the Greek real estate market during the crisis.

The domestic crisis consisted, i) big drop of GDP, ii) lack of confidence for the Greek assets given the Grexit risk, iii) no new leverage as banks reduced lending substantially. The Greek domestic crisis effectively started during 2010 although the domestic economy started shrinking from late 2008, with GDP dropping c.26% until 2013. Unemployment reached new highs in 2013, recording 27.5%, compared to 7.8% in 2008. The effects of the crisis continued into the later years, specifically decreasing disposable income in households by 33.3% in the 8-year period of 2009-2017.

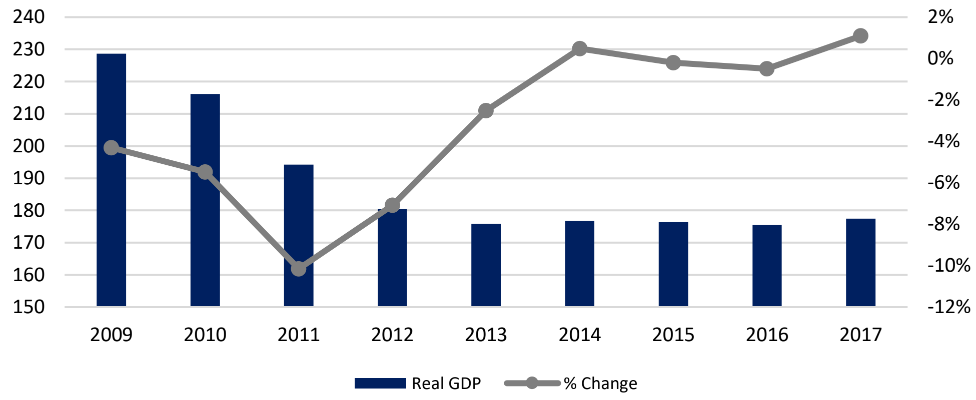
Along with these driving factors, the debt crisis had pushed government bond yields to nearly 40% in 2012, affecting the liquidity and increasing interest rates in the corporate sector. Real estate prices slumped with residential declining by 42.2%. The retail and housing lending was less affordable in Greece which negatively affected the number of real estate transactions in the country between 2008-2014, posting a 72.5% decline.

The crisis period also had demographic effects with many people between the ages of 25-39 years old leaving the country in search of a better economic future. On the supply side, the real estate market experienced an oversupply issue due to the previous boom in the early 2000s. Greece had attained a notably high homeownership ratio, contributing to a surplus of available housing, which further decreased prices. Additionally, as individuals struggled to repay their loans, the share of non-performing housing loans reached a critical level of 44.5% by December 2018. A law that was enacted in 2010 to suspend foreclosures for debts to credit institutions and protect primary residences, although it offered relief to many households it also resulted to a big number of strategic defaults.

### GDP downward trend

The crisis was characterized by high levels of public debt, a distressed banking system, and severe austerity measures imposed by international creditors. Consequently, Greece faced a deep recession that affected various sectors, including real estate. The economic downturn resulted in decreased purchasing power and consumer confidence, leading to a decline in demand for properties and a subsequent drop in property prices. Furthermore, the crisis caused financial difficulties for property owners, forcing them to sell their properties, thus increasing the overall supply in the market. The Greek banking system also suffered from non-performing loans, including those tied to real estate, which added pressure to the market on top of liquidity problems. Foreign investment in the real estate sector declined due to the economic uncertainty and negative perception surrounding the Greek economy during the crisis. Additionally, the crisis exposed legal and bureaucratic challenges related to property rights, land registries, and construction permits, further complicating real estate transactions and investments.

**Exhibit B.5.** Real GDP evolution (2009-2017)




*Amounts in Billions (€)*
Source: AF Research, Bank of Greece

Domestic GDP under significant pressure especially at the beginning of the crisis, 2010-12, followed by a mild recovery

### Lack of confidence due to Grexit risk

The possibility of Grexit, Greece's exit from the Eurozone, had a significant impact on the confidence in Greek assets, including the real estate market. The uncertainty surrounding Grexit created economic instability, leading to investor hesitancy and a decline in foreign investment. Concerns about the stability of the banking system and potential asset devaluation triggered capital flight, weakening the economy, and reducing purchasing power in the real estate market. Property values decreased as sellers accepted lower prices and buyers held off on entering the market. Difficulty accessing credit further dampened demand, while volatility in the rental market made it challenging for landlords to set prices and secure long-term leases.

**Exhibit B.6.** 10yr Greek Govt. Bond yield


Source: AF Research, Bank of Greece

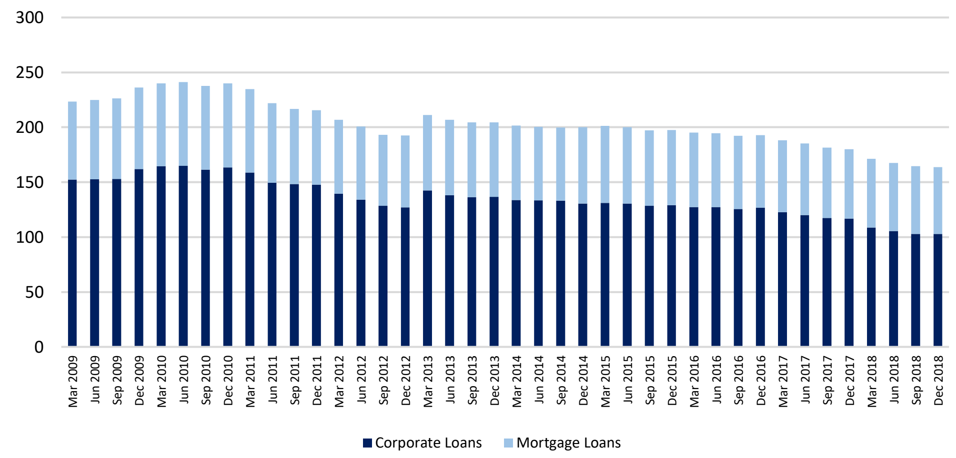
The peaks seen in this chart depict the critical moments when Greece was close to exiting Europe, i.e., in 2011/12 and 2015

10-year GGBs rose to new highs as fear of a default and Grexit loomed investors

**Banks reduce lending**

During the Greek economic crisis, the reduction in lending by banks and the lack of new leverage had a profound impact on the real estate market. This situation resulted in decreased purchasing power for potential buyers, as obtaining loans became challenging. Limited access to credit affected both individuals and real estate developers, hindering the growth of the market and constraining investment opportunities. The slowdown in construction and development activities further decreased the supply of properties. Additionally, the presence of distressed properties and non-performing loans put downward pressure on prices. The overall reluctance from investors to commit capital to the market due to reduced lending exacerbated the decline in market activity and property prices.

**Exhibit B.7.** Bank lending evolution (2009-2018)




*Amounts in Billions (€)*

Source: AF Research, Bank of Greece

# C. Domestic market of REICs

**Domestic market comprises of nine entities**
The Real Estate Investment Company (REIC) is a company designed specifically for acquiring, managing, and investing in real estate properties, as well as engaging in direct or indirect investments in the financial market and deposits. The establishment of REICs in Greece originated from the enactment of Law 2778/1999.

Currently, in Greece there are nine REICs but only seven are publicly listed on the Athens Stock Exchange, namely Prodea Investments, BriQ Properties, Premia Properties, Trastor, Ble Kerdos, Intercontinental International, and Trade Estates which as of November 3rd, completed its IPO process, with shares commencing trading on the Athens Stock Exchange on November 10th . The remaining two, namely Orilina Properties and Noval Property, are expected to proceed with an IPO over the next period.

**Specific characteristics of Greek REICs**
Key REIC requirements can be broken down into three categories which include asset requirements, profit distribution/ leverage and legal requirements. Asset requirements for each company include: i) at least 80% of the assets must be invested in real estate, ii) development cost must not exceed 40% of the REIC's investment asset value upon completion, iii) single property value cannot exceed 25% of the REIC's total investments, and iv) assets used for REIC operations cannot exceed 10% of the REIC's total assets.

Profit distribution/leverage requirements include: i) at least 50% of the annual distributable profit, ii) capital gains from the sale of real estate do not need to be distributed, and iii) overall leverage must not exceed 75% of REIC's total assets. For the final section regarding legal requirements: i) REIC's must be incorporated as a "Société Anonyme" with a minimum share capital of €25mn, ii) a mandatory listing on a regulated market operating in Greece and iii) a statutory seat must be in Greece. In addition, the tax treatment of REICs is different and more favorable compared to those of other corporate entities operating domestically (Exhibit C.1).

**Exhibit C.1.** REIC tax overview

| | REIC | Société Anonyme |
|---|---|---|
| **Corporate Income Tax** | Fair value of Investment Properties<br>+<br>Net Asset Value of Investments in Subsidiaries<br>+<br>Cash and Cash Equivalents | 22% on Taxable Profit |
| **Advance Tax** | Exempt | 80% of the Tax corresponding to the income of the previous tax year |
| **Capital Gains Tax** | Exempt | Subject to CIT |
| **RETT** | Exempt | 3% RETT<br>+<br>0.09% duty in favor of the municipalities on RETT |
| **Dividend Tax** | Exempt | 5% withholding |
| **Tax on the Ownership of Real Estate ("Greek ENFIA"** | Calculation Algorithm defined by Tax Authorities based on individual property characteristics | |
| **Special Real Estate Tax** | Exempt | Exemptions may apply subject to conditions |
| **Capital Accumulation Tax** | Exempt | 0.5%<br>+<br>0.1% |

Source: AF Research

### Different sizes and focus although commercial dominates

Though each REIC is different in size and composition most follow an expansionary strategy aiming to grow their asset base and diversify their portfolios given the attractive opportunities in the domestic market, albeit with a different focus. Most investment portfolios consist of properties in the commercial spectrum with offices, retail, and logistics/industrial being the key subsegments. On the other hand, the residential segment remains a tiny portion of their portfolios at the moment while some of them have invested in social infrastructure and other special projects.

A key emerging trend is "green" buildings as most companies want to incorporate the ESG principal trend into their portfolio. REICs are seeking access to the EU Resilience and Recovery Fund's resources to finance their real estate development and energy upgrading plans at more favorable terms. This move is part of their strategy to limit the impact of rising interest rates and construction costs. For instance, Prodea Investments plans to use the funds for energy upgrade projects in their existing properties, while Premia Properties has already secured €20mn RRF funds for 2 projects, namely for the reconstruction and energy upgrade of Piraeus 180 office (ex-Athens Heart) and Xanthi student residencies.

**Exhibit C.2.** REIC metrics at a glance

| Greek REICs | BriQ Properties | Noval Property | Premia Properties | Prodea Investments | TradeEstates | Trastor | Intercontinental International Real Estate Investment Company |
|---|---|---|---|---|---|---|---|
| **Portfolio Metrics** | | | | | | | |
| **Number of Properties** | 26 | 62 | 52 | 378 | 14 | 53 | 34 |
| **GAV (€ mn)** | 142 | 527 | 286 | 2.575 | 457 | 419 | 115 |
| **Portfolio Breakdown (GAV %)** | | | | | | | |
| Offices/Mixed Use/Special Use | 26% | 32% | 10% | 45% | | 65% | 47% |
| Retail/Big Box/Bank Branches | 2% | 33% | 6% | 34% | 89% | 13% | 50% |
| Logistics/Other | 52% | 26% | 73% | 10% | 11% | 22% | |
| Hospitality/Hotels | 20% | 8% | | 11% | | | |
| Serviced/Residential Appartments | | 1% | 11% | | | | 3% |
| **Financial Metrics** | | | | | | | |
| **Revenue (€ mn)** | 6.7 | 13.8 | 9.0 | 200.1 | 11.8 | 12.6 | 1.8 |
| **Adj. EBITDA (€ mn)** | 5.2 | 7.5 | 4.9 | 123.3 | 8.7 | 8.6 | 3.5 |
| **FFO (€ mn)** | 4.7 | 4.4 | 2.2 | 52.9 | 4.5 | 7.7 | 3.2 |
| **Gross Rental Yield** | 7.0% | 7.2% | 7.4% | 6.8% | 7.0% | 5.7% | 8.6% |
| **Dividend Yield* (as of FY2022)** | 5.3% | - | 2.2% | 4.4% | - | 2.1% | 4.5% |
| **NAV (€ mn)** | 100 | 387 | 145 | 1.500 | 242 | 236 | 81 |
| **Market Cap (€ mn)** | 68 | - | 99 | 1.865 | 209 | 169 | 67 |
| **Discount to NAV** | -32,6% | - | -32,1% | 25,0% | -13,5% | -28,4% | -19% |
| **Net LTV** | 24.4% | 27.9% | 48.6% | 48.5% | 36.1% | 44.7% | 33.0% |
| **Free Float** | 45.6% | - | 20.6% | 13% | 23,4% | 1.7% | 21% |

Source: AF Research, Company H1' 2023 Data, BriQ NAV &GAV according to 9M2023, Trade Estates includes proforma GAV & NAV regarding acquisition of Smart Park

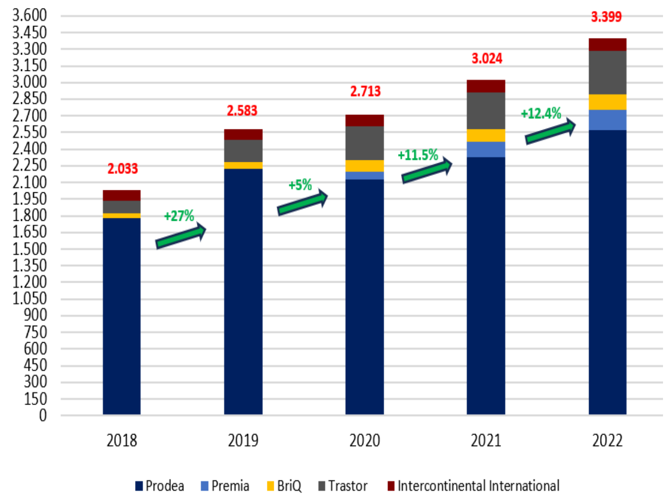
### Growing at fast pace

In 2022, REICs demonstrated remarkable growth, increasing the value of their portfolios by 17%, and a substantial 25% since 2020. Prodea secured its top position with a portfolio value of €2.3bn in 2022, experiencing a significant 17.7% surge from the previous year. BriQ Properties witnessed a commendable 12% rise in its portfolio value, largely driven by strategic investments in logistics and hotels. Furthermore, with the acquisition of Intercontinental International, its portfolio value is anticipated to nearly double. Noval Property also achieved substantial growth, with its portfolio value climbing by €73.1mn to reach €486.4mn in 2022, emphasizing sustainable development as a primary focus. Trastor expanded its portfolio by investing in 7 new properties and selling 8 properties, resulting in a portfolio of 57 properties valued at €392.3mn. Similarly, Premia Properties made new investments in its main sectors, logistics, and residential, with a portfolio of 50 properties valued at €267.2mn.

According to data from Cushman & Wakefield, the hotel market displayed the highest transaction volume, recording 36 transactions totaling €620mn, followed by the office market with €410 mn across 46 transactions. Notably, Core+ office space investments constituted the largest share at 51%, closely followed by value-added and opportunistic investments. In the shops and shopping centers sector, there was a notable 200% year-on-year increase, attracting €327mn across 32 transactions, compared to 2021. The logistics & industrial real estate sector also experienced significant investment, amounting to around €100mn, alongside similar investments in land purchases for development purposes.

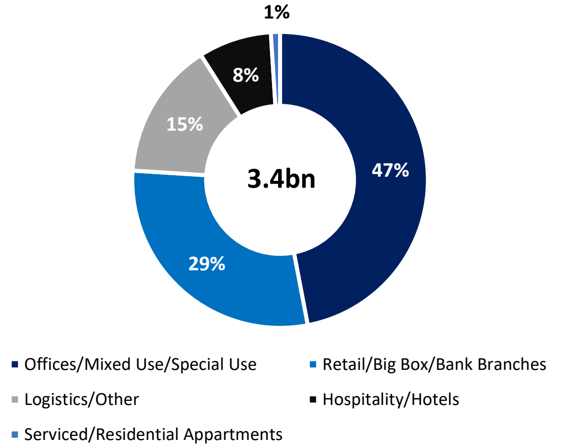
Throughout 2022, domestic REICs remained actively engaged in the commercial real estate market, investing nearly €400mn, primarily focusing on the hospitality sector, privileged offices, and land acquisitions for development. Additionally, approximately €380mn came from purely foreign capital, although this was lower than expected due to adverse global economic conditions.

**Exhibit C.3.** Total GAV evolution in Greece (2018-2022)




Source: AF Research

**Exhibit C.4.** Total GAV breakdown in Greece (2022)




Source: AF Research

## D. The European REIT Market

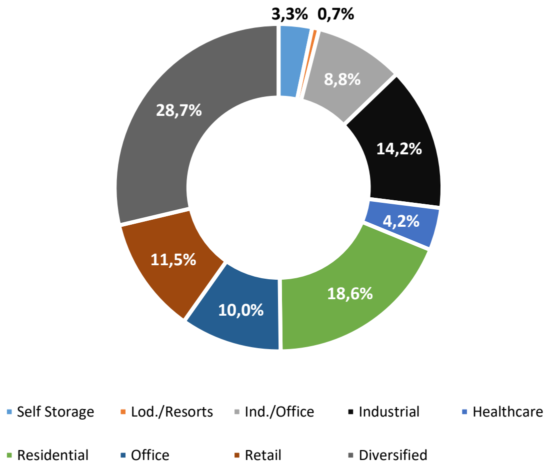
**An established REIT market**

In Europe, The Netherlands pioneered REIT legislation in 1969, followed by Belgium as the only other European country to establish a REIT regime before the 1990s. Greece introduced its REIT law in 1999, followed by France in 2003. Subsequently, Germany, the UK, and Italy joined in 2007. Listed real estate companies can be categorized into two types: REITs and REOCs. REITs own income-producing real estate, enjoy tax exemptions, and have operational restrictions. REOCs are more flexible in investment options but are subject to corporate tax. REITs have gained momentum in Europe, with increasing adoption of specific legislation in several countries. Currently, 14 European Union countries have REIT regimes, and this number is expected to grow. REITs drove European listed real estate market growth. Their share in market capitalization of EU real estate assets rose from under 10% in 2000 to over 75% in 2009, but now stands around 55%. REITs and REOCs coexist, indicating distinct risk-return characteristics that attract diverse investor preferences.

**Towards more diversified portfolios**

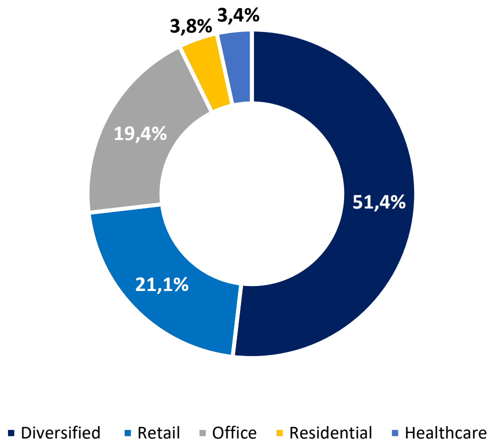
According to EPRA, between 2010 and December 2022, the European Real Estate sector listed on the FTSE EPRA Nareit Europe index grew by 2.0 times, equivalent to a compound annual growth rate (CAGR) of 6.1%, reaching a market cap of €228 bn. However, this growth rate was slower compared to the United States, where the sector grew by 3.2 times, with a CAGR of 10.1%. In terms of absolute numbers, Europe added €81 bn in investible market cap since 2010. Another notable evolution is the increasing diversification of REIT portfolios. Traditionally, REITs focused on commercial real estate sectors such as office buildings, retail properties, and industrial spaces. However, in response to changing market dynamics and investor demands, REITs have expanded into new sectors such as residential properties, healthcare facilities, logistics and warehouses, and alternative assets like student housing and data centers. This diversification allows REITs to tap into different income streams and mitigate risks associated with specific property sectors.

**Exhibit D.1.** Developed Europe Sector Split (2023)




Source: AF Research, EPRA

**Exhibit D.2.** Developed Europe Sector Split (2011)




Source: AF Research, EPRA

**Sustainability and technology also key focus**

Additionally, there has been a growing emphasis on sustainability and environmental, social, and governance (ESG) factors within the REIT industry. Many European REITs have made efforts to incorporate ESG principles into their investment strategies, property management practices, and reporting frameworks. They are focusing on energy efficiency, green building certifications, carbon neutrality, and social responsibility initiatives to align with global sustainability goals and meet investor expectations.

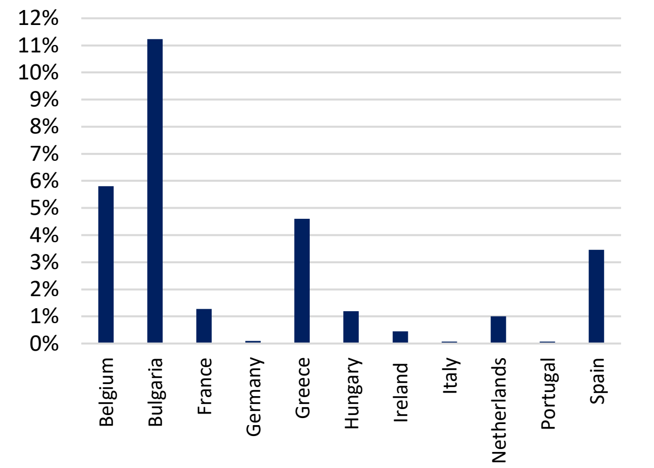
Furthermore, digitalization and technological advancements have played a significant role in the evolution of European REITs. The use of property technology (PropTech) solutions, including data analytics, artificial intelligence, and smart building systems, has become increasingly prevalent. These technologies help optimize property operations, enhance tenant experiences, and provide valuable insights for investment decision-making.

In the present scenario, European REITs are continuing their focus on sustainable growth and value creation. They are actively seeking opportunities to acquire high-quality assets in attractive locations, adapt to changing consumer and market trends, and capitalize on emerging sectors such as renewable energy and sustainable infrastructure. Additionally, REITs are exploring partnerships and collaborations with PropTech companies to further enhance operational efficiency and tenant satisfaction.

Overall, European REITs have evolved into dynamic and resilient investment vehicles, expanding their reach, diversifying portfolios, embracing sustainability, and leveraging technology to drive future growth in the real estate market.

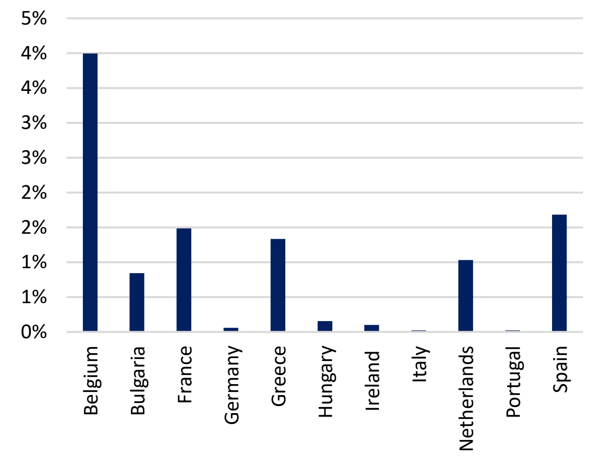
**IPO activity and total market capitalization**
Europe's IPO activity in the real estate sector has been significant. From 2010 to 2022, Europe had 55 IPOs totaling €16.7bn, while European IPOs contributed more proportionally to sector growth. The UK, Germany, and Spain accounted for 71% of European IPOs in volume terms, with €5.3bn, €4.0bn, and €2.7bn respectively. The European listed real estate sector has experienced remarkable growth, with a substantial increase of around €180bn in market capitalization since the end of 2010, reaching c.€370bn by the end of 2022. From the end of 2010 to the end of 2022, the sector witnessed 96% growth, representing a 5.8% compound annual growth rate (CAGR) in market capitalization.

**Exhibit D.3.** REIT MCap vs Total Mcap (2023)




Source: AF Research, EPRA

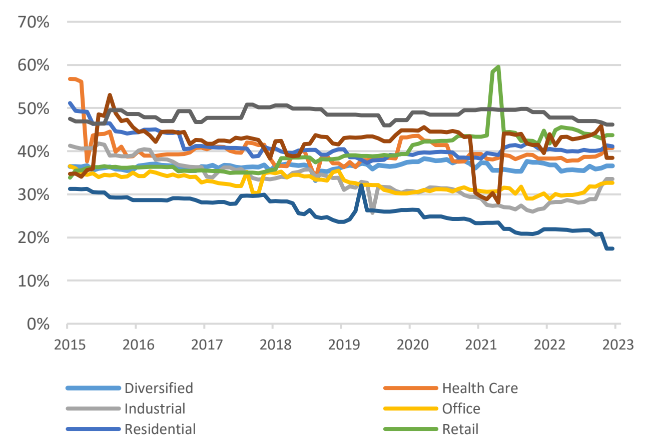
**Exhibit D.4.** REIT MCap vs Real GDP (2023)




Source: AF Research, EPRA

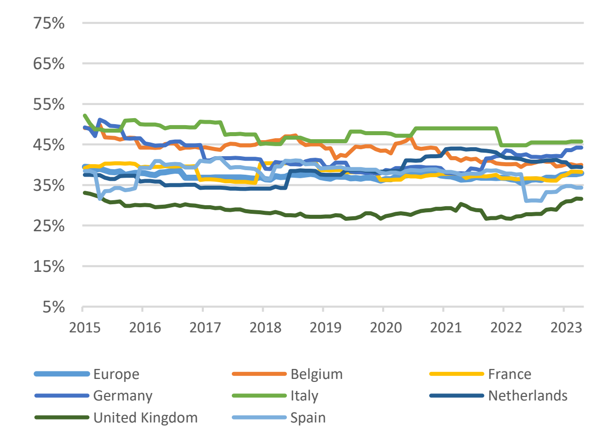
Having a look at the charts below (Exhibit E.5 & E.6) we can see how the loan-to-value (LTV) ratio for various European countries as well as different sectors European REITs invest in have been evolving over the past 7 years. Countries like Italy, Netherlands, and Germany have remained on the higher end in regards to LTV %, while the United Kingdom has held a lower position throughout the duration. As for the different sectors, we are seeing a drop in LTV for self storage, while the office and industrial sector can be seen having a dip in 2020-2021 followed by a sharp increase.

**Exhibit D.5.** EPRA Nareit Developed Europe sector LTV (2015-2023)




Source: AF Research, EPRA

**Exhibit D.6.** EPRA Nareit Developed Europe country LTV (2015-2023)




Source: AF Research, EPRA

## E. Valuation

**REICs usually trade close to BV but now at a record discount…**

Looking at historical data in Europe (EPRA Developed Market index), the 20-year average for P/BV stood at ca 1.0x while during the last 5-years REICS have been trading at an average 10% discount to NAV (Exhibit E.1), partly reflecting adverse market conditions due to the pandemic and the war in the Ukraine which amplified inflationary pressures leading to tighter monetary policies. Starting from 2021, the European REICs are on a sharp declining trend while now they trade on average at ca 30% discount to BV. Interestingly, this is one of the deepest discount levels seen during the last 20 years, being wider even compared to the pandemic. European REICs have only traded at a deeper discount only during 2008-09 during the Global Financial Crisis.

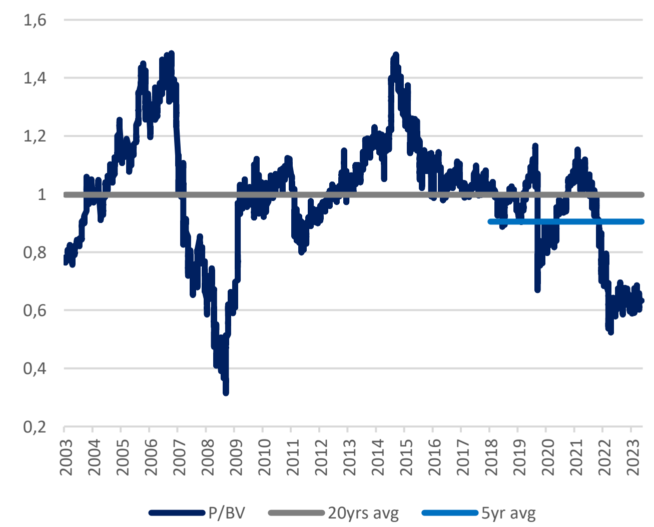
**…on understandable reasons**

We believe the key reasons behind the current deep discounts are the sharp increase of interest rates, potential concerns about the real estate market prospects as well possible structural factors in consumers' behavior. The ECB has proceeded with a significant tightening of monetary policy which has a negative impact on both the REICS operating performance mainly due to higher cost of debt and on valuations through a higher discounting rate owing to higher risk-free rate. In addition, there are understandable concerns about the prospects of the real estate market in several EU countries after a strong recovery during the last decade. Finally, on our understanding the market is concerned with potential structural changes such as the growth of on-line trading which reduces the attractiveness of retail stores/shopping or the work-from-home trend which could reduce demand for offices.

**Greek REICS also at significant discounts which we see as an opportunity**

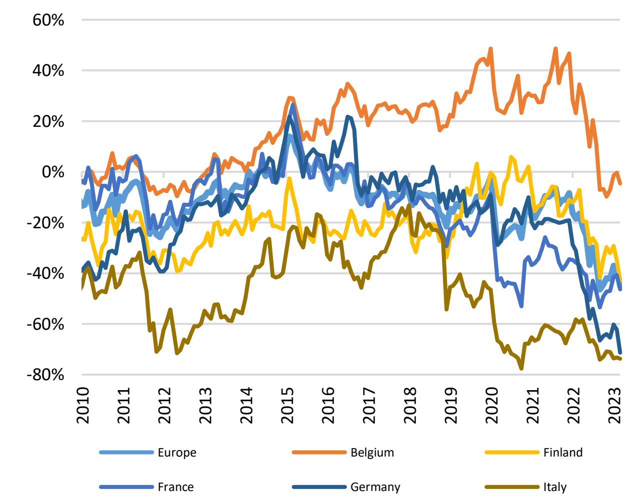
The Greek REICs P/BV have been trading mostly at a discount throughout the last years, as shown in exhibit (E.4.), but have followed a similar pattern with that of the European REICs now trading also at a significant discount to PBs (with the only exception being Prodea albeit with a very limited free float). We see interest rates as a common factor to EU REICS depressing valuations while limited liquidity also justifies a discount. While the concerns about the EU real estate market may be reasonable at this stage, we are of the view that the prospects for the domestic market are significantly different as extensively discussed in the previous section. Hence, we see their current valuation discounts, in most names, as offering a good entry point for investors seeking to take advantage of the Greek macro story, especially upon interest rates returning to lower levels and gradual improvement of market liquidity.

**Exhibit E.1.** EPRA Europe Developed Index P/BV (2003-2023)



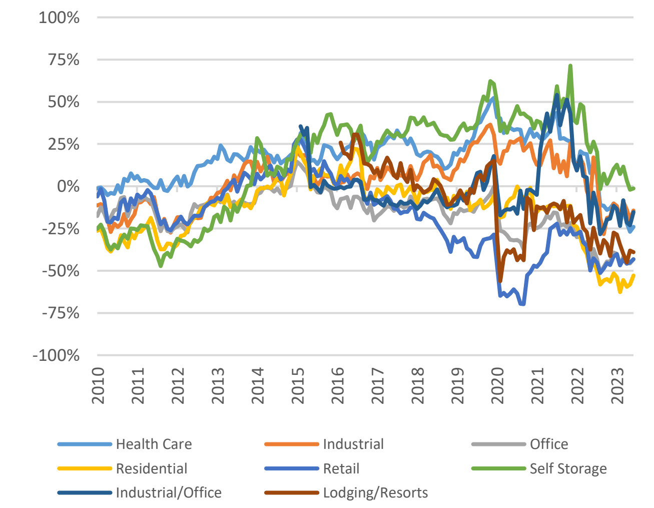

Source: AF Research, Bloomberg

**Exhibit E.2.** By country (2010-2023)



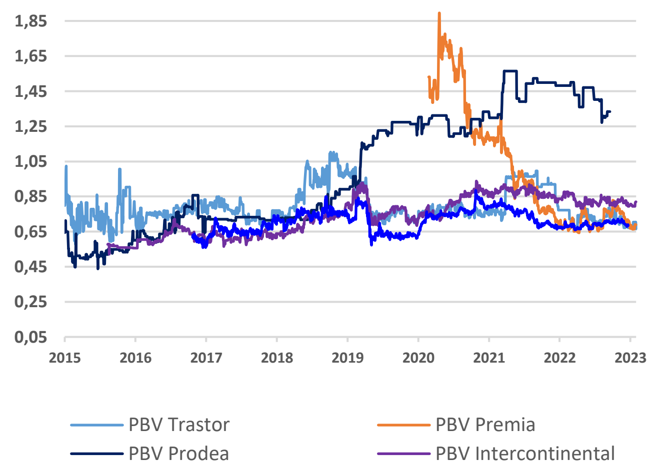

Source: AF Research, EPRA

**Exhibit E.3.** By sector (2010-2023)




Source: AF Research, EPRA

**Exhibit E.4.** Greek REIC P/BV historical evolution (2016-2023)




Source: AF Research, Bloomberg

## F. Companies Section

This section includes our views and reviews on per REIC basis

(in alphabetical order)

# BriQ Properties

**(BRIQ.AT / BRIQ GA)**

**Equity Research** | Greece

**Real Estate Management** | Report

## Focused on high value investments

### Ahead of a transformative merger

BriQ Properties has been active in the real estate market in Greece, growing slowly but consistently since its entrance to the Athens Stock Exchange in 2017. With the recently announced merger with ICI International, BriQ is positioned to grow at a faster pace, thus achieving greater diversification in a nearly double portfolio.

### Strategy and investment pipeline

The focus remains on strategic investments in logistics and hotels in Greece, with ongoing progress in the Aspropyrgos logistics complex and plans for a green office building in Kallithea with 50% financing from the Resiliency and Recovery Fund, targeting completion by 2025 with a gross yield of around 7.5%.

### Portfolio breakdown

The portfolio includes properties in Greece, with a GAV of €142m. The portfolio breakdown includes 26% offices, 20% hotels, 2% retail, and 50% logistics. The expected GAV will reach ca €250m once the ICI merger is completed, being the third largest listed REIC. Post merger the portfolio will be more diversified with logistics (31%), offices (29%) and retail (22%) being the key sectors.

### 9M 2023 performance

The Company's rental income for 9M 2023 increased by 14% y/y to €6.7mn, due mainly from extending the first Logistics center lease (KAD 1) in the Company's Aspropyrgos Logistics Park, plus yearly lease adjustments, while the adjusted net profit after tax increased by 5% y/y amounting to €3.7mn. The Company's adjusted EBITDA increased by 19% y/y to €5.2mn compared to €4.3mn in the corresponding period last year. The NAV amounted to €99.8mn on September 30, 2023, an increase of 1.62% when comparing with December 31, 2022, with NAV/share increasing to €2.82 p/s. The Group's portfolio value amounted to €142.4mn from €142.1mn at H1 2023.

The Company invested €3.4mn in existing properties and earned €2.4mn from fair value adjustments. Management emphasized the company's 2024 goal of finalizing the agreement with Intercontinental International R.E.I.C. Additionally, the company plans to expand its portfolio with a new storage and distribution building (KAD 2) in Aspropyrgos, set for delivery in the 3rd quarter of 2024. Other developments include the expansion of a hotel complex in Paros and the construction of a LEED-certified office property on Poseidonos Avenue in Kallithea. Moreover, they acknowledged the challenge of managing increased interest costs impacting the final return on real estate investments.

### Valuation, dividend yield

The Group's NAV/share reached €2,82 from €2,78 on December 31, 2022 (+0.72%), suggesting that it trades at 32.6% discount, based on latest available closing price (14/11). A DPS of €0.1046 p/s, yielding 5.3% as of 2022.

**BriQ Properties**

Not Rated

| | | | |
|---|---|---|---|
| Market cap. (€mn) | 68,0 | Share Price | € 1,90 |
| Shares outst. (mn) | 35,8 | Target Price | - |
| Bloomberg | BRIQ GA | Total Return | - |
| Reuters | BRIQ.AT | | |

| Valuation | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| P/E | 10,7x | 14,8x | 33,8x | 9,4x | 5,8x |
| P/FFO | 26,7x | 58,4x | 41,9x | 19,9x | 14,9x |
| P/NAV | 1,0x | 0,9x | 0,8x | 0,9x | 0,7x |
| EV/EBITDA | 12,3x | 9,4x | 32,3x | 11,9x | 7,6x |
| EV/Adj. EBITDA | 27,2x | 29,5x | 38,3x | 24,6x | 17,2x |
| FFO Yield (%) | 2,2% | 2,0% | 2,5% | 5,8% | 6,8% |
| Dividend Yield (%) | 2,5% | 2,5% | 3,0% | 3,6% | 5,3% |

| Per share | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| EPS | 0,24 | 0,42 | 0,05 | 0,22 | 0,32 |
| FFO | 0,04 | 0,04 | 0,05 | 0,11 | 0,13 |
| NAV | 2,58 | 2,35 | 2,36 | 2,52 | 2,78 |
| NAV (excl. revaluation) | 2,43 | 2,25 | 2,34 | 2,37 | 2,54 |
| DPS | 0,06 | 0,04 | 0,06 | 0,08 | 0,10 |

| BS data (€mn) | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| Net Debt | 8 | -25 | 16 | 26 | 31 |
| Shareholders Equity | 31 | 84 | 90 | 96 | 105 |
| GAV | 40 | 60 | 106 | 122 | 136 |
| NAV | 31 | 84 | 84 | 89 | 98 |
| NAV (excl. revaluation) | 29 | 80 | 84 | 85 | 91 |
| LTV | 24% | 21% | 17% | 25% | 26% |
| Net LTV | 21% | -42% | 15% | 21% | 23% |

| P&L data (€mn) | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| Revenues | 2,2 | 2,9 | 3,7 | 6,1 | 8,0 |
| EBITDA | 3,2 | 5,8 | 2,7 | 8,7 | 13,3 |
| EBITDA Adjusted | 1,4 | 1,9 | 2,2 | 4,2 | 5,9 |
| EBIT | 3,2 | 5,8 | 2,6 | 8,7 | 13,2 |
| Net income | 2,9 | 5,4 | 2,1 | 8,3 | 12,1 |
| FFO | 1,2 | 1,4 | 1,7 | 3,9 | 4,7 |

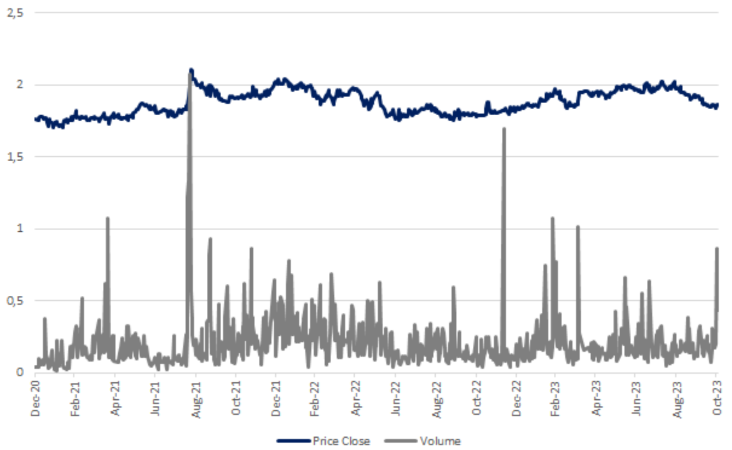
| Performance | 1m | 3m | 6m | 12m | YTD |
|---|---|---|---|---|---|
| Absolute | 2% | -4% | -2% | -2% | -2% |
| Relative | -3% | -0% | -12% | -39% | -35% |

Source: AF Research, Refinitiv, Bloomberg LP

## BriQ Properties

| Year End | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| | act | act | act | act | act |
| **Income Statement (€mn)** | | | | | |
| Revenues | 2,2 | 2,9 | 3,7 | 6,1 | 8,0 |
| EBITDA | 3,2 | 5,8 | 2,7 | 8,7 | 13,3 |
| EBITDA Adjusted | 1,4 | 1,9 | 2,2 | 4,2 | 5,9 |
| Depreciation | (0,0) | (0,0) | (0,0) | (0,0) | (0,1) |
| EBIT | 3,2 | 5,8 | 2,6 | 8,7 | 13,2 |
| Net Financials | (0,0) | (0,2) | (0,5) | (0,3) | (1,0) |
| EBT | 3,1 | 5,6 | 2,2 | 8,4 | 12,3 |
| Taxes | (0,2) | (0,2) | (0,1) | (0,1) | (0,2) |
| Net Income | 2,9 | 5,4 | 2,1 | 8,3 | 12,1 |
| FFO | 1,2 | 1,4 | 1,7 | 3,9 | 4,7 |
| **Balance Sheet (€mn)** | | | | | |
| Cash | 1,3 | 37,6 | 2,1 | 4,3 | 3,3 |
| Current Assets | 1,4 | 37,8 | 4,0 | 5,7 | 4,4 |
| Investment Property | 39,6 | 59,8 | 106,0 | 120,8 | 135,0 |
| Non Current Assets | 39,8 | 60,1 | 106,7 | 122,8 | 137,8 |
| Total Financial Assets | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Total Assets | 41,2 | 97,9 | 110,8 | 128,5 | 142,2 |
| Current Liabilities | 1,2 | 1,7 | 11,8 | 3,8 | 3,9 |
| Non Current Liabilities | 9,3 | 12,3 | 8,8 | 29,0 | 33,1 |
| Debt | 9,6 | 12,4 | 18,3 | 30,2 | 34,6 |
| Net Debt | 8,3 | (25,2) | 16,2 | 25,9 | 31,3 |
| Shareholders Equity | 30,7 | 83,9 | 90,1 | 95,6 | 105,2 |
| **Cash Flow (€mn)** | | | | | |
| CFO | 1,3 | 1,7 | 1,4 | 4,3 | 4,7 |
| Capex | (0,0) | (0,0) | (0,0) | (0,0) | (0,4) |
| WC Change | 0,1 | 0,6 | (0,6) | 0,7 | (0,2) |
| FCF | 1,3 | 1,7 | 1,3 | 4,2 | 4,2 |
| **Per Share** | | | | | |
| EPS | 0,24 | 0,42 | 0,05 | 0,22 | 0,32 |
| FFO | 0,04 | 0,04 | 0,05 | 0,11 | 0,13 |
| NAV | 2,58 | 2,35 | 2,36 | 2,52 | 2,78 |
| NAV (excl. revaluation) | 2,43 | 2,25 | 2,34 | 2,37 | 2,54 |
| DPS | 0,06 | 0,04 | 0,06 | 0,08 | 0,10 |
| FCF | 0,05 | 0,05 | 0,04 | 0,12 | 0,12 |

**Graph**




Source: AF Research, Refinitiv, Bloomberg LP

| Year End | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| | act | act | act | act | act |
| **Income Statement yoy (%)** | | | | | |
| Revenues | | 35% | 26% | 65% | 32% |
| EBITDA | | 83% | -54% | 227% | 52% |
| EBITDA Adjusted | | 29% | 22% | 87% | 39% |
| Depreciation | | 63% | 23% | 81% | 97% |
| EBIT | | 83% | -54% | 228% | 52% |
| Net Financials | | 439% | 122% | -47% | 269% |
| EBT | | 79% | -61% | 290% | 46% |
| Taxes | | -18% | -56% | 45% | 59% |
| Net Income | | 87% | -62% | 301% | 45% |
| FFO | | 18% | 22% | 133% | 20% |
| **Margins (%)** | | | | | |
| EBITDA Margin | 146% | 199% | 72% | 144% | 166% |
| EBITDA Margin Adjusted | 66% | 63% | 61% | 69% | 73% |
| EBIT Margin | 145% | 198% | 72% | 143% | 165% |
| Net Income Margin | 132% | 184% | 56% | 137% | 151% |
| **Margins (yoy change, bps)** | | | | | |
| EBITDA Margin Adjusted | | -281 | -212 | 831 | 382 |
| **Leverage** | | | | | |
| Net Debt / Equity | 0,3x | -0,3x | 0,2x | 0,3x | 0,3x |
| Net Debt / Capital | 0,2x | -0,4x | 0,2x | 0,2x | 0,2x |
| Net Debt / EBITDA | 2,6x | -4,3x | 6,1x | 3,0x | 2,4x |
| Interest Covered | | | | | |
| **Performance (%)** | | | | | |
| RoE | 9% | 6% | 2% | 9% | 11% |
| RoIC | 7% | 9% | 2% | 7% | 9% |
| RoA | 7% | 5% | 2% | 6% | 8% |
| **Valuation Metrics** | | | | | |
| P/FFO | 26,7x | 58,4x | 41,9x | 19,9x | 14,9x |
| P/NAV | 1,0x | 0,9x | 0,8x | 0,9x | 0,7x |
| EV/EBITDA | 12,3x | 9,4x | 32,3x | 11,9x | 7,6x |
| FFO Yield (%) | 2,2% | 2,0% | 2,5% | 5,8% | 6,8% |
| Dividend Yield * (%) | 2,5% | 2,5% | 3,0% | 3,6% | 5,3% |

**What's Changed**

| | | | |
|---|---|---|---|
| Rating | Not Rated | From | - |
| Risk | - | From | - |
| Target Price | - | From | - |
| Forward EPS | - | From | - |

**Company Info**

| | |
|---|---|
| Share Price | € 1,90 |
| Market Cap (mn) | € 68 |
| Ticker (Bloomberg) | BRIQ GA |
| Ticker (Reuters) | BRIQ.AT |
| Free Float | 45.6% |
| Sector | Real Estate Management |
| Auditor | PWC |

**Company Description**

BriQ Properties REIC aims to be a vertically integrated, Greek-focused commercial real estate company that owns and actively manages commercial real estate, applying best in-class strategies.

The shares of BriQ Properties REIC have been traded on the Athens Stock Exchange since July 31, 2017

## Portfolio breakdowns and historic evolution

**Exhibit F.1.** By gross assets

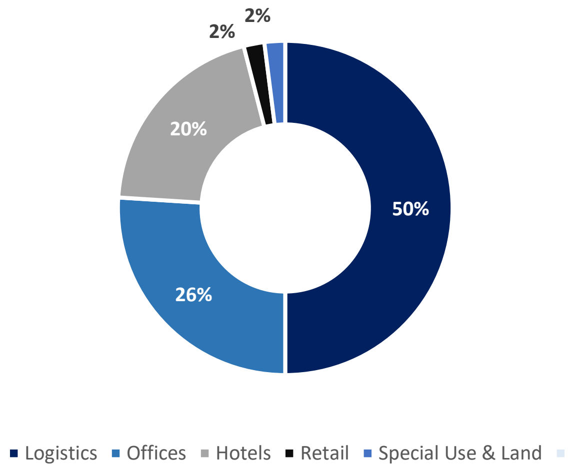



**Exhibit F.2.** By number of properties

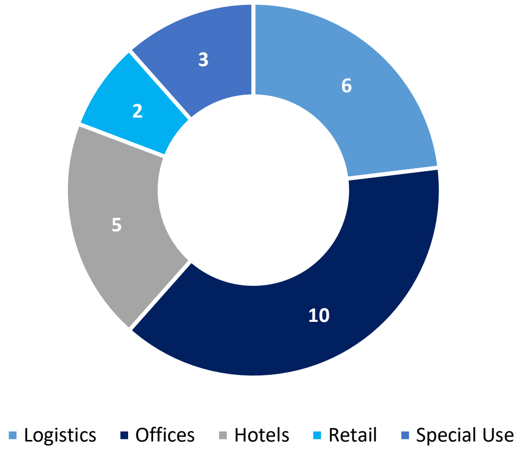



**Exhibit F.3.** Tenant mix

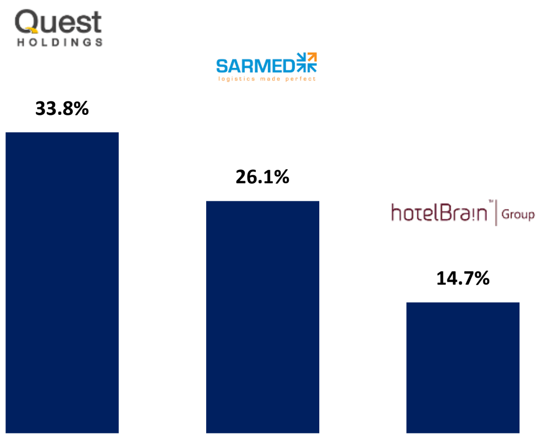



**Exhibit F.4.** By rental income

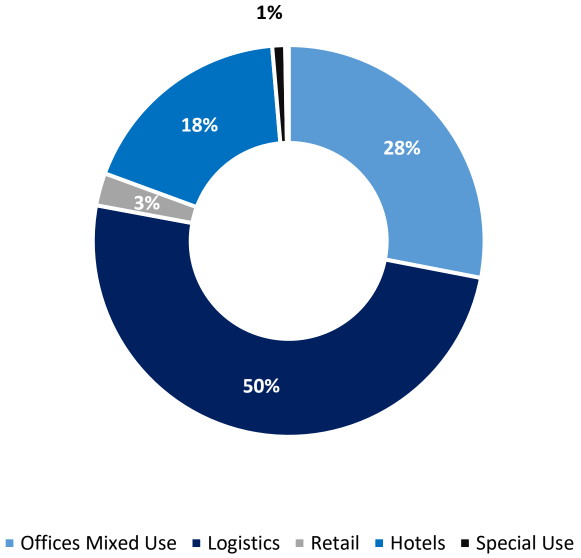
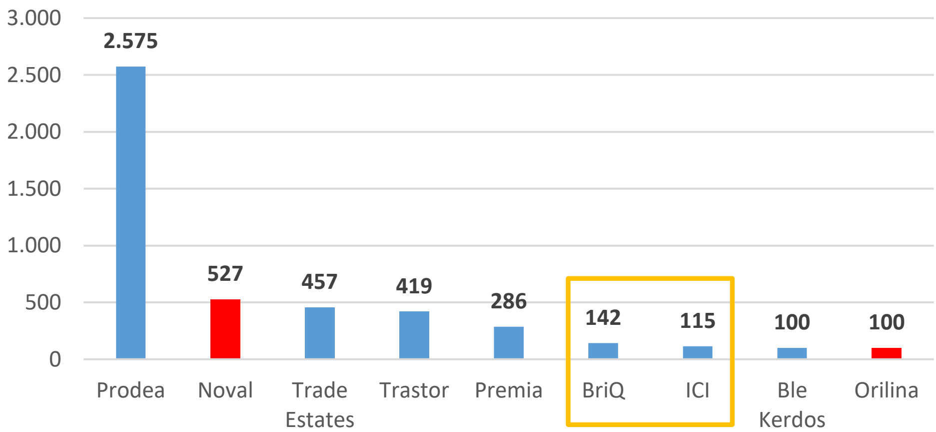



**Exhibit F.5.** Greek REICs' universe




The chart outlines the landscape of Greek REICs including listed and non-listed companies.

Noval & Orilinia are non-listed REICs that are expected to be listed in the near future.

Trade Estates completed IPO process and commenced trading on ASE November 10th, 2023.

The yellow box highlights the transaction parties: The merger in Phase 3 will lead to a sizable Merged Entity with a strong and diversified portfolio of assets min. c.€250mn value.

Source for all graphs: AF Research, Company

## Key financial metrics

**Exhibit F.6.** Revenue evolution

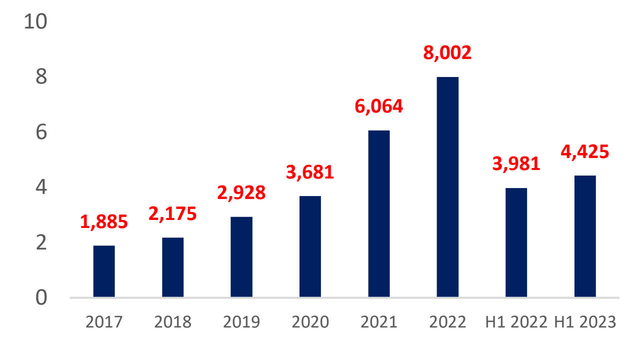



**Exhibit F.7.** EBITDA evolution

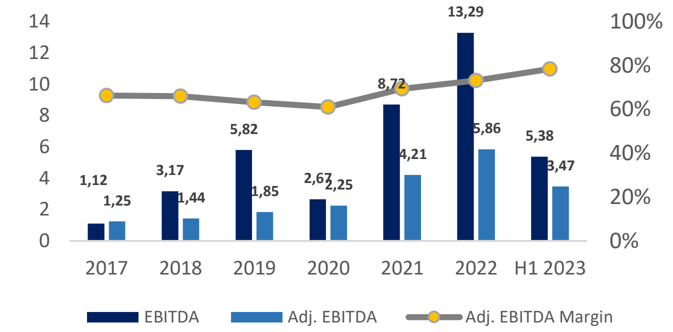



**Exhibit F.8.** Gross yield on investment properties

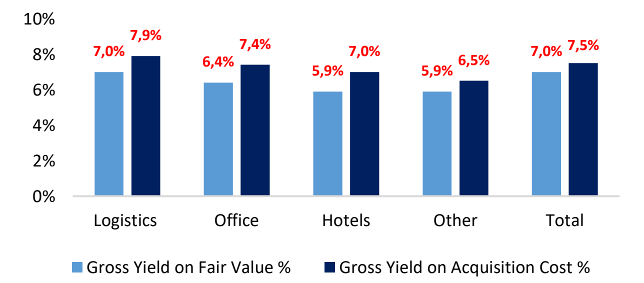



**Exhibit F.9.** FFO evolution

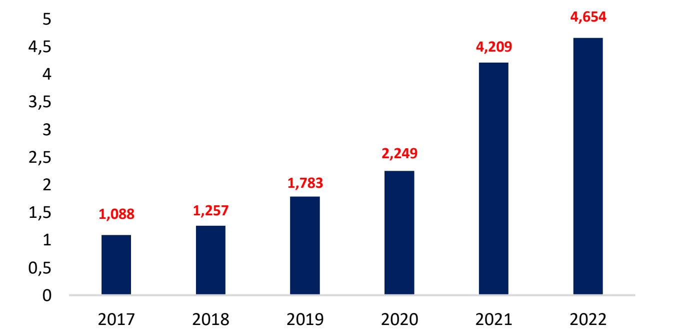



**Exhibit F.10.** Total shareholders' return per share

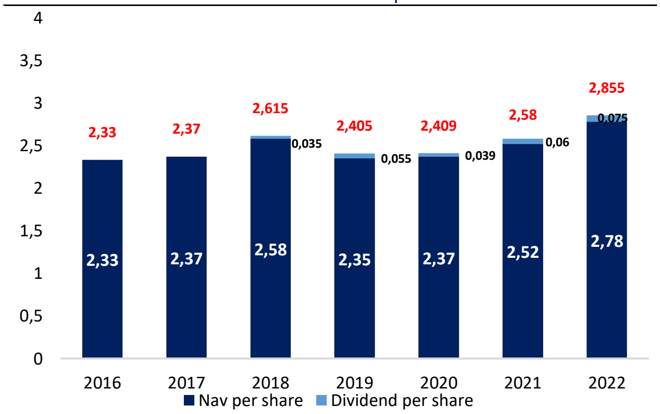



**Exhibit F.11.** NAV evolution

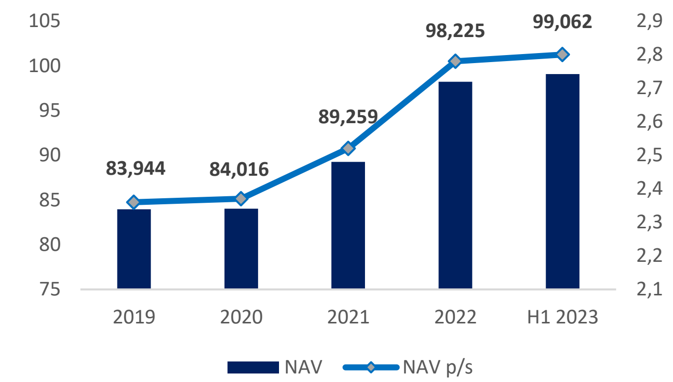



**Exhibit F.12.** Net Debt & LTV evolution

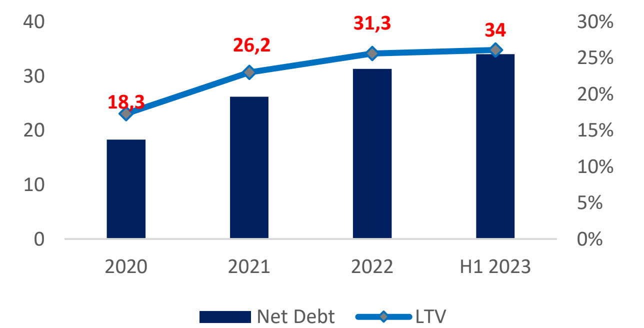
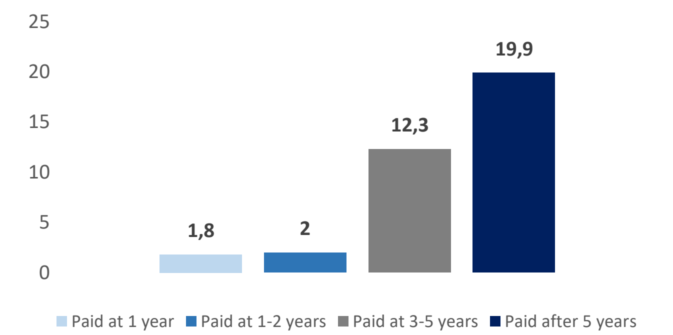



**Exhibit F.13.** Debt maturity profile




Source for all graphs: AF Research, Company

## Brief history and key recent developments

### Brief history – Key milestones

| | |
|---|---|
| 2017 | Listed on Athens Stock Exchange |
| 2018 | Expanded in Tourism Real Estate |
| 2019 | €50m SCI though public offering |
| 2020 | Expanded in Logistics RE by acquiring 80% of largest logistics 3PL facility in Attica region SARMED Warehouses S.A. |
| 2021 | Started new development of a 44.500 sqm Logistics Center in Aspropyrgos |
| 2022 | Land acquired in Aspropyrgos reached 114.000 sqm and first logistics facility of 25.256 sqm was delivered to tenant. |
| 2023 | Agreement for the Merger by absorption of Intercontinental international REIC |

**Company description as of today**

BriQ Properties REIC aims to be vertically integrated and focuses on owning and actively managing commercial properties. They employ best-in-class strategies and have secured rental income streams. The company is supervised and controlled by regulatory bodies such as the Capital Market Commission and the competent Region of Attica. BriQ Properties' shares have been traded on the Athens Stock Exchange since July 31, 2017. Their strategic axes include creating value for shareholders, employees, tenants, and partners, researching new investment opportunities with high growth prospects, improving profitability, and emphasizing return on investment. The company's competitive advantages lie in their flexibility, experienced management team, financial strength, and focus on commercial properties in Athens and major Greek cities.

**Strategy**

With a long-term investment horizon, ample liquidity, and low borrowing exposure (as of 31.12.2022, the Net L.T.V. was 23.2%), the company is well-equipped to navigate current conditions and execute its development plans. A key focus for 2023 is completing the merger transaction, absorbing ICI into BriQ. This consolidation is projected to increase the total investment properties of the combined entity to approximately €250mn, with an LTV of around 49%. Although equity per share at the time of purchase will remain unchanged, the Group anticipates economies of scale and nearly double the number of properties to boost potential earnings per share production rate in the medium term. The successful completion of each stage of the transaction is contingent on relevant approvals from corporate bodies and supervisory authorities. Since 2017, the Company has distributed €11mn to shareholders and achieved €18mn of revaluation gains on properties. Its dividend yield continues to be the strongest of the rest of the Greek REICs at 5.3%, while the Company also has one of the largest free float in the market.

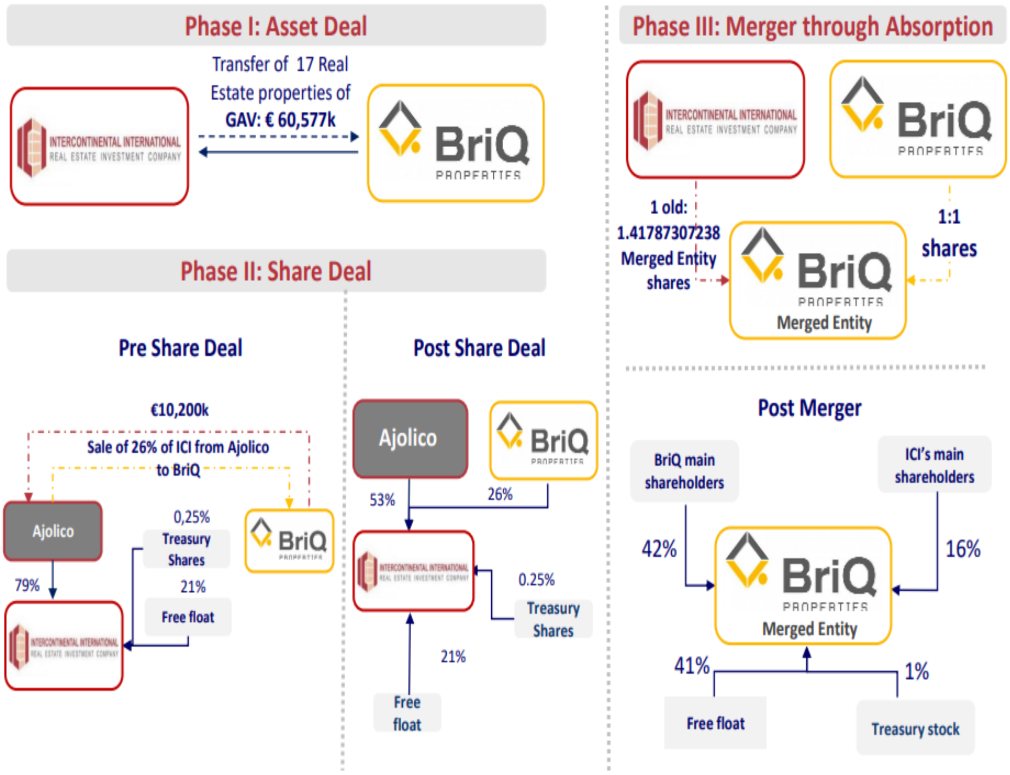
**Investment pipeline**

BriQ is making progress on the construction of its second logistics complex in Aspropyrgos, situated on a privately owned area spanning 114 acres. The property's size has been expanded to exceed the original design, now reaching over 19,000 sq.m. To complete the project, an additional €8 million is estimated, and it is expected to be finished by mid-2024. Following the completion, Briq will have control over a total of 44,500 sq.m. in this location, representing a total expenditure of €30mn, including the land purchase. These properties are anticipated to yield around 8.3%, generating an annual rental income of €2.5mn. Notably, a logistics warehouse of more than 25,000 sq.m. is already operating on the site, leased by the Infoquest group. The Company is also embarking on a construction project for a new office building with a surface area of 2,425 sq.m. located at 42 Posidonos Street in Kallithea. To fund this project, the company is securing 50% financing from a loan provided by the Resilience and Recovery Fund, offering an attractive fixed interest rate of only 0.35%. The office building will be designed and built in accordance with the environmentally friendly LEED Gold standard. The total investment, including the purchase of the plot, is estimated to be six million euros. The completion date for the new property is set for 2025, with Briq management anticipating annual revenues of €0.45mn and a gross yield of approximately 7.5%.

**Latest on merger...**

On February 23, 2023, BriQ, Ajolico Trading Limited (majority shareholder of Intercontinental International Real Estate Investment Company), and ICI signed contractual texts to proceed with a merger through the absorption of ICI by BriQ. This transaction will follow specific stages:

**Exhibit F.14.** ICI merger through absorption



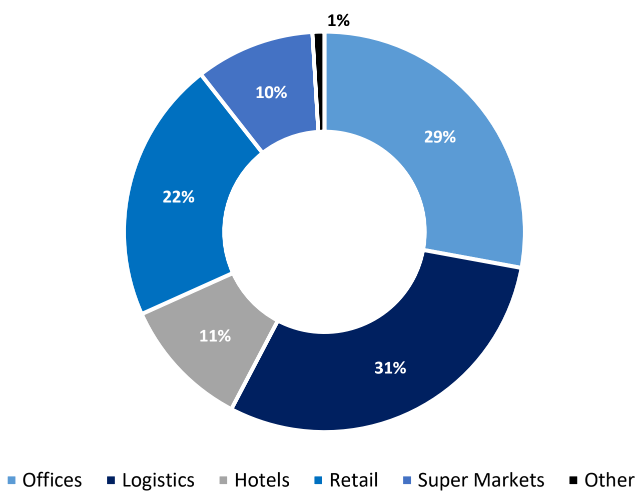

**A.** BriQ will acquire seventeen properties from ICI for €60,577,000, with repayment of loan obligations connected to the properties. The remaining funds will be distributed to ICI shareholders as a reduction in share capital and interim dividend (Stage A).

**B.** Ajolico will sell ICI's issued shares, representing approximately 25.92% of the reduced share capital, to BriQ for €10,200,000, including BriQ's entitlement to ICI's 2022 dividend (Stage B).

**C.** Following Stage B, a merger will occur, with ICI being absorbed by BriQ. The agreed exchange ratio is one share of ICI for every 1.41787307238 new BriQ issue shares, with existing BriQ shareholders retaining their shares. The final exchange ratio will be confirmed by appointed auditors.

Post-merger, the new company's shareholding composition will be approximately 76.5% BriQ shareholders and 23.5% ICI shareholders. The acquisition of properties and ICI shares will be financed through borrowing, while the merger will involve a share exchange, subject to confirmation by auditors. The completion and exchange ratio will adhere to the terms specified in the contractual texts and comply with relevant legislation.

**Exhibit F .15.** Portfolio Diversification post ICI merger




The post-merger portfolio with amount €250m, including the logistics center under development in Aspropyrgos

Source for all graphs: AF Research, Company

## Key recent developments

| Date | Event |
|---|---|
| January, 2022 | The Company finished constructing the Storage and Distribution Center 1 (KAD1) in Aspropyrgos, Attica, with a total area of 20,797 sq.m. Additionally, during the year, the extension of WAR1 was completed, adding 4,459 sq.m. The construction of the extension cost €2,407 thousand. The extended area was delivered and leased to the tenant on December 20, 2022. As a result, the current total area of KAD1 is now 25,256 sq.m. |
| June 30, 2022 | The subsidiary Plaza Hotel Skiathos invested €3,304 thousand in renovating the "Radisson Resort Plaza Skiathos" hotel. After completing the renovation and upgrading to a 4-star hotel, the company handed over the newly renovated hotel, located in Kanapitsa, Skiathos, to the tenant Hotel Brain S.A. The hotel has 84 beds and reopened on July 1, 2022, under the new name "Radisson Resort Plaza Skiathos." |
| August 11, 2022 | BriQ Properties REIC recently sold a commercial store located on Giamboudaki Street 8 in Rethymno, Crete. The store has an area of 782.31 sq.m. The selling price was €1,350 thousand. The property was originally acquired by the company in February 2020 for €1,128 thousand. As of the Investment Statement dated June 30, 2022, the estimated value of the property was €1,201 thousand. |
| December 1, 2022 | The company has acquired two plots of land totaling 11,060 sq.m. in Aspropyrgos, Attica, adjacent to its existing Logistics Park at "Imeros Topos." With this acquisition, the company now owns a consolidated area of 114 acres. Additionally, the company is developing a second Storage and Distribution Center, KAD2, on this land, spanning 19,237 sq.m. When combined with the existing KAD1 building, the total area of the two structures will be 44,492 sq.m. The company has estimated a total investment of €30 million for the Logistics Park, of which €20 million has already been invested by December 31, 2022. This investment includes the completion of KAD1 construction, its extension, and the land purchase. |
| February 9, 2023 | The Company issued additional bonds for a total amount of €1.000 thousand from the bond loan program with Alpha Bank A.E. for the financing of part of the construction of the new KAD2 in Aspropyrgos Attica. |
| March 17, 2023 | The Company entered into a contract for the extension of the Mr&Mrs White Paros hotel complex in Paros on an adjacent plot with the construction of a complex of 12 suites. With this expansion, the hotel's capacity will rise to 61 rooms and suites. The contractual consideration was agreed at € 1.100 thousand plus VAT. and will be paid gradually until the completion of the project, which is expected to be completed in 2024. |

## Shareholders structure and management team

**Exhibit F.16.** Shareholders structure

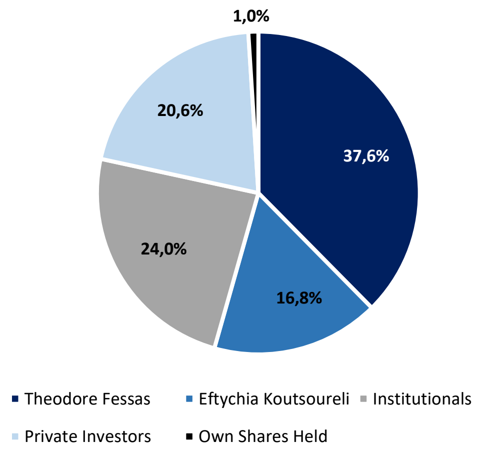



**Exhibit F.17.** Corporate Governance

- **BoD** ▪ 3 female Members ▪ 2 Executive - 6 non-executive (out of which 2 independent)
- **Audit Committee** ▪ 3 Non-Executive BoD Members (out of which 1 independent)
- **Investment Committee** ▪ 4 BoD Members (out of which 2 non-executive)
- **Remuneration & Nomination Committee** ▪ 3 Non-Executive Members (out of which 2 independent)

Source for all graphs: AF Research, Company

## Management Team

**Anna Apostolidou, CEO and member of BoD,** Mrs. Apostolidou is the Chief Executive Officer of BriQ Properties REIC since the Company's establishment in 2016. From July 2015 until June 2016, she served on the Board of Directors of NBG Pangaea REIC as a non-Executive Director. Prior to that she assumed various management positions in Lamda Development S.A. from 2003 until 2015.

**Emmanouil Andrikakis, Financial Controller & Investors Relations Officer,** Mr. Andrikakis is the Company's Financial Controller & Investor Relations Officer, while from the establishment of the Company until July 2021 he held the position of the Chief Audit Executive of the Company. He has experience as a Financial Analyst and has also worked at the accounting and finance departments of Quest Holdings S.A. group. He holds a Bachelor of Business Administration and Finance and a Master's Degree (MSc) in Business Economics, Finance and Banking.

**Antonios Sioutis, Chief Internal Auditor,** Mr. Sioutis is a graduate of Economic Studies from Panteion University, has received a master's degree in taxation and Auditing and has 5 years of experience in the Audit department at Grant Thornton.

**Fotini Katsikavela, Investment & Asset Management Director,** Mrs. Katsikavela is the Investment & Asset Management Director of BriQ Properties REIC since 2019. From April 2018 until September 2019, she was employed as Investment & Asset Management Executive at BriQ Properties REIC. Prior to that she worked as Financial Controller and Financial Analyst at Assos Capital S.A. from 2014 until 2018. At that time, she had the chance to cooperate with professionals around the world and to be involved in the turnaround of underperforming assets and a mall sale in Bulgaria.

**Matina Goga, Investment & Asset Management Executive,** Mrs. Goga is Investment & Asset Management Executive in BriQ Properties REIC since June 2019. Prior to that she worked at American Appraisal Hellas ltd, LP Ellinas Real Estate Consultants and Valuers, CBRE Axies S.A. and Charagionis Group, holding various positions. During the years she had the chance to cooperate with professionals in Greece and abroad and to be involved in several major valuation projects.

# Noval Property

## Growing with a purpose

**Equity Research** | Greece

**Real Estate Management** | Report

### A well-diversified solution

Noval Property is the second largest domestic REIC in Greece in terms of GAV and rental income, which will be set to become listed in AthEx in the coming months. Its current portfolio offers a wide range of properties, with 62 total properties in total, 33 of which are income producing. This well diversified structure has exemplified the saying "don't keep all your eggs in one basket" with the company owning office buildings, retail properties (shopping center, retail parks, big boxes, etc), logistics centers, hotels, and even residences. The GAV stands at €527m with a captive investment pipeline and various large investment projects in place for the next 5 years.

### An emphasis on sustainability

Noval Property leads in sustainable investing, prioritizing energy-efficient, modern properties to counter local market undersupply. 23% of assets in the company's investment portfolio are "green", with a majority of the investment pipeline focusing on only green certified properties. This not only helps the company attract tenants who desire green buildings but also allows cost savings and higher possible rent per sq.m. We believe that this differentiates Noval Property from a great portion of the market possibly leading to higher operating performance.

### H1 2023 earnings

The Group recorded rental income of €13.8m (+13% y/y), while net profits amounting to €23.2m (+54% y/y). Adjusted EBITDA amounted to €7.5m (+38% y/y). The NAV as of June 30, 2023, amounted to €387m or €3.60 p/s compared to €366m or €3.40 p/s on December 31, 2022 (+6%). Increases in rental income stemmed from the company's focus on actively managing its properties through the execution of new lease agreements and the rental adjustments of existing lease contracts at more favorable commercial terms. Noval Property's GAV amounted to €527m as of June 30, 2023, recording an increase of €29m from December 31, 2022 (+6%).

### Portfolio breakdown

The total GAV is derived from a combination of 11 offices, 8 residential properties, 9 retail spaces, 17 industrial properties, and 3 hospitality establishments, as well as 14 land plots. The occupancy rate is at 97%, with a Weighted Average Unexpired Lease Term (WAULT) of 9.5 years (based on the maximum contractual expiration of the leases, taking into account the tenants' extension rights). The current rental yield is 7.2%, specifically referring to income-generating properties.

**Noval Property REIC**

Restricted

| | | | |
|---|---|---|---|
| Market cap. (€mn) | na | Share Price | na |
| Shares outst. (mn) | na | Target Price | na |
| Bloomberg | na | Total Return | na |
| Reuters | na | | |

| **Valuation** | 2021a | 2022a |
|---|---|---|
| P/E | na | na |
| P/FFO | na | na |
| P/NAV | na | na |
| Dividend Yield * (%) | na | na |
| RoE | 11% | 7% |
| RoIC | 8% | 5% |
| RoA | 6% | 4% |

| **BS data** (€mn) | 2021a | 2022a |
|---|---|---|
| Cash | 129 | 88 |
| Total Assets | 568 | 598 |
| Net Debt | 116 | 136 |
| GAV | 427 | 498 |
| NAV | 315 | 366 |
| LTV | 55,1% | 43,5% |

| **P&L data** (€mn) | 2021a | 2022a |
|---|---|---|
| Revenues* | 15,9 | 24,9 |
| EBITDA | 37,0 | 31,1 |
| EBITDA Adjusted | 9,6 | 12,9 |
| EBIT | 36,8 | 30,9 |
| Net income | 35,2 | 24,5 |
| FFO | 5,1 | 4,4 |

*Note: State rental compensations are not included in the 2021 figure.

*Gross Asset Value refers to Fair Value of Investment Property & Rights of Use of assets and includes participation 50% inthe JV "THE GRID SA" which owns a land plot in Marousi.

## Noval Property REIC

| Year End | 2021 | 2022 |
|---|---|---|
| | *act* | *act* |
| **Income Statement (€mn)** | | |
| Revenues | 16 | 25 |
| EBITDA | 37 | 31 |
| EBITDA Adjusted | 10 | 13 |
| Depreciation | -0,2 | -0,2 |
| EBIT | 37 | 31 |
| Net Financials | -3 | -5 |
| EBT | 36 | 25 |
| Taxes | 0 | -1 |
| Net Income | 35 | 24 |
| FFO | 5 | 4 |
| **Balance Sheet (€mn)** | | |
| Cash | 129 | 88 |
| Current Assets | 137 | 94 |
| Investment Property | 427 | 498 |
| Non Current Assets | 431 | 504 |
| Total Financial Assets | 0 | 2 |
| Total Assets | 568 | 598 |
| Current Liabilities | 65 | 18 |
| Non Current Liabilities | 188 | 213 |
| Debt | 245 | 224 |
| Net Debt | 116 | 136 |
| NAV | 315 | 366 |
| **Cash Flow (€mn)** | | |
| CFO | 7 | 6 |
| Capex | -13 | -22 |
| WC Change | 1 | 1 |
| FCF | -6 | -16 |

**Company Description**

Noval Property REIC is the second largest real estate company in terms of GAV and rental income in Greece, currently operating under Société Anonyme form. The company's portfolio focuses a diversified selection of office, retail, industrial, residential and hospitality properties. Income generating portfolio includes 33 income producing properties, 9 office, 8 retail, 4 hospitality, 10 industrial and 2 residential.

Source: AF Research, Company

| Year End | 2021 | 2022 |
|---|---|---|
| | *act* | *act* |
| **Income Statement yoy (%)** | | |
| Revenues | na | na |
| EBITDA | na | na |
| EBITDA Adjusted | na | na |
| Depreciation | na | na |
| EBIT | na | na |
| Net Financials | na | na |
| EBT | na | na |
| Taxes | na | na |
| Net Income | na | na |
| FFO | na | na |
| **Margins (%)** | | |
| EBITDA Margin | 232% | 125% |
| EBITDA Margin Adjusted | 60% | 52% |
| EBIT Margin | 231% | 124% |
| Net Income Margin | 221% | 98% |
| **Leverage** | | |
| Net Debt / Equity | -0,8x | -0,6x |
| Net Debt / Capital | -0,4x | -0,4x |
| Net Debt / EBITDA | -6,6x | -7,2x |
| Interest Covered | 2,7x | 2,4x |
| **Performance (%)** | | |
| RoE | 11% | 7% |
| RoIC | 8% | 5% |
| RoA | 6% | 4% |
| **Valuation Metrics** | | |
| P/FFO | na | na |
| P/NAV | na | na |
| EV/EBITDA | na | na |
| FFO Yield (%) | na | na |

## Portfolio characteristics

**Exhibit F.18.** By gross assets value (H1 2023)

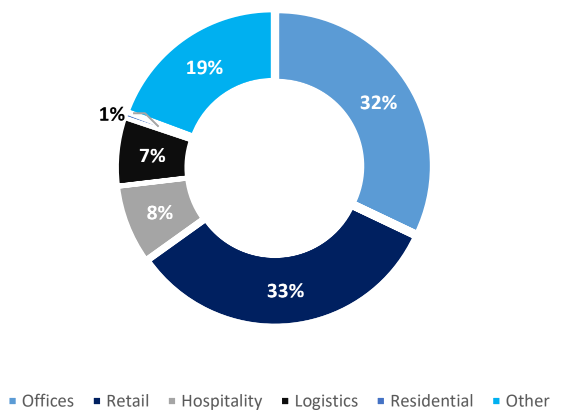



**Exhibit F.19.** By number of income producing properties

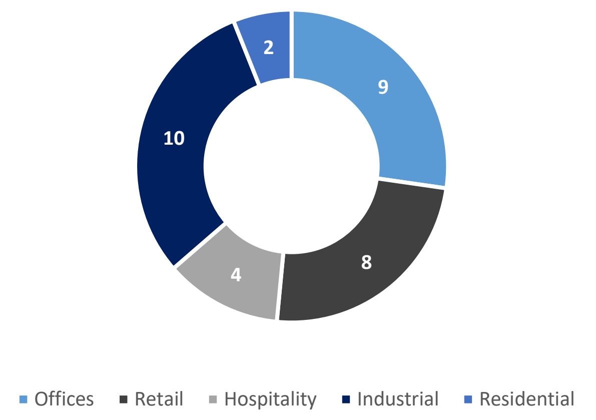



**Exhibit F.20.** By geography (GAV)

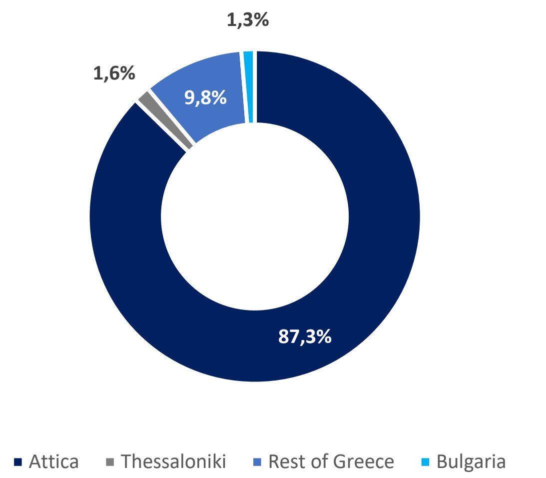



**Exhibit F.21.** By rental income contribution

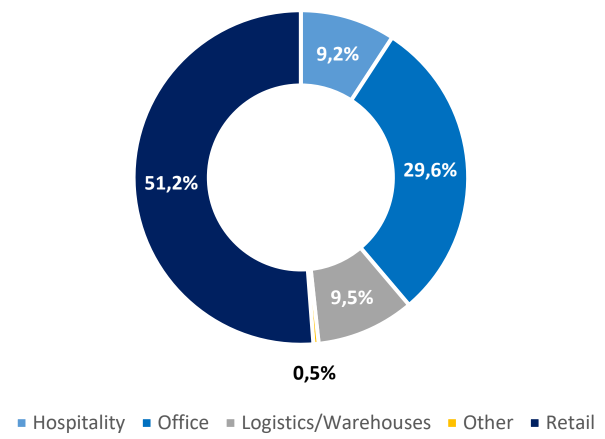



**Exhibit F.22.** Tenant mix – Occupancy rate 97%

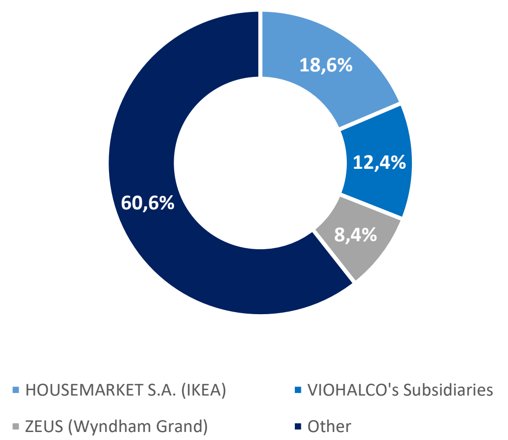
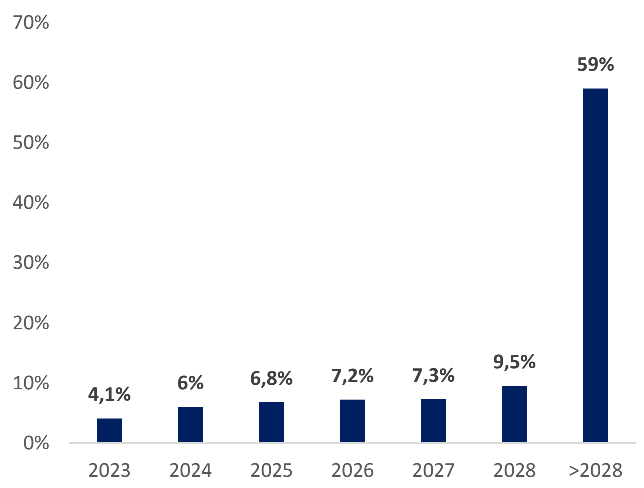



**Exhibit F.23.** Lease profile – WAULT at 9.5yrs*




*Based on the maximum contractual expiration of the leases, taking into account the tenants' extension rights

Source for all graphs: AF Research, Company

## Key financial metrics

**Exhibit F.24.** Revenue evolution

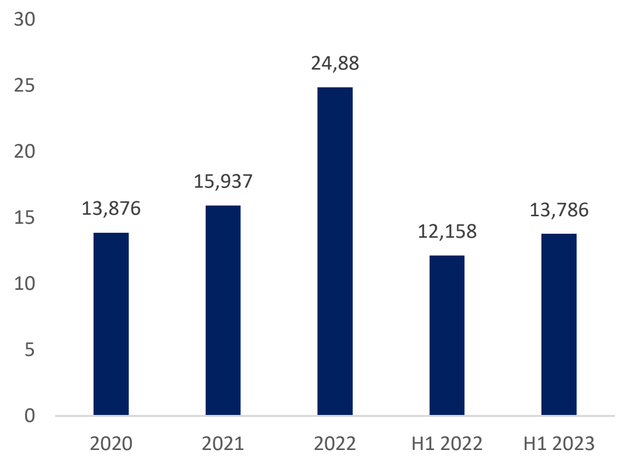



**Exhibit F.25.** EBITDA evolution

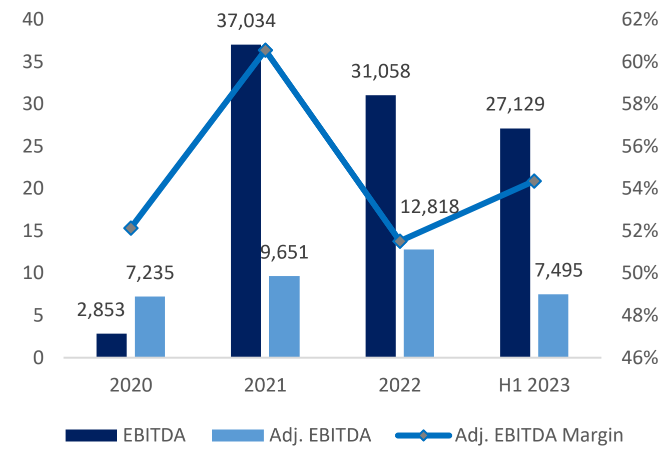



**Exhibit F.26.** GAV evolution

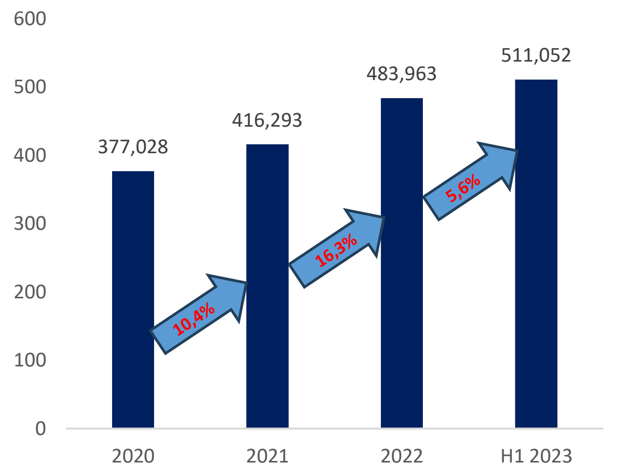



**Exhibit F.27.** FFO evolution

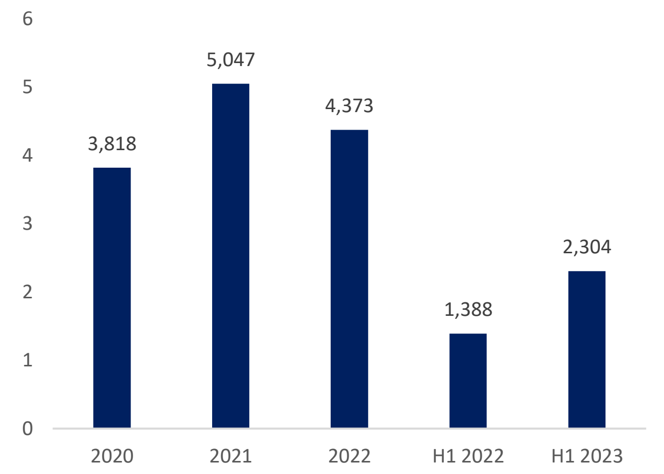



**Exhibit F.28.** Net Debt evolution

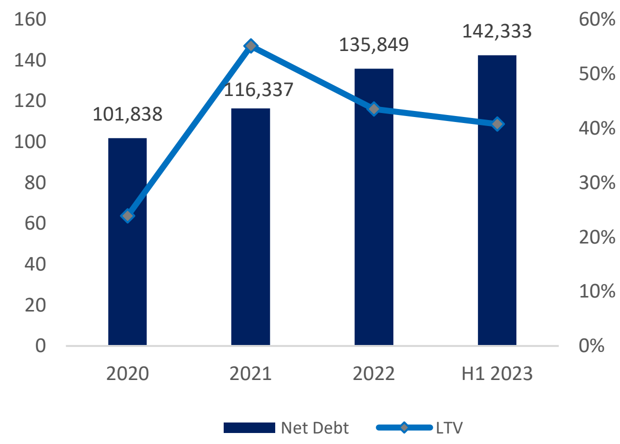
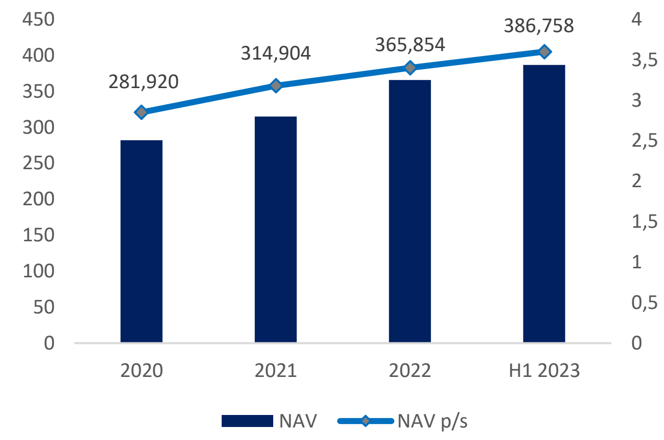



**Exhibit F.29.** NAV evolution




Source for all graphs: AF Research, Company

## Brief history & key recent developments

**Second biggest domestic REIC**

Noval Property REIC is the second biggest real estate investment company in Greece in terms of GAV and rental income, on its way to complete its initial public offering in the coming months and be listed on the Athens Stock Exchange. Currently, it has a portfolio of 62 properties, consisting of retail (shopping centers, retail parks, big boxes), logistic warehouses, hospitality and office buildings, with the largest exposure of its portfolio in Greece and small exposure in Bulgaria. The GAV for the group stands at €527m with an investment pipeline that is already active and is expected to produce finished developed projects spanning between 2023-2029.

### Brief history – Key milestones

| | |
|---|---|
| 2018 | License received to operate as REIC and an internally managed AIF |
| 2019 | Establishement of NOVAL PROPERTY REIC (15/10/2019) |
| 2020 | Merger of Noval Property with METEM (100% ownership of River West and IKEA MegaStore) |
| 2021 | Green Bond Issuance (€120mn) |
| 2022 | SCI through in-kind contribution of assets (€21.35mn) |
| 2023 | EGM Resolution on ATHEX listing (IPO) EGM Resolution of EBRD CBL (€10.5mn) |

**Strategy**

Noval Property's main strategy involves focusing on investing in a well-diversified portfolio with the aim to mitigate the undersupply of modern product in the domestic market. An extensive research process is conducted for every property included in its current portfolio and its investment pipeline, with the scope directly directed to more energy efficient properties, specifically LEED certified, and the modern feel and look that the company believes is the current desire in the market. The company continues to expand and develop existing assets, with the overall value creation development plan a staple in the portfolio growth strategy.

**Pipeline for future investments**

The company has a pipeline of c.€384m that is expected to have a duration between 2023-2029, with the pipeline imaging Noval's current strategy of having a diversified exposure in the market. The current investment pipeline has an asset class breakdown of 47% mixed use, 27% offices, 9% retail, 16% logistics and 1% other. The source of the funds that will support the completion of this pipeline comes from 21% of the existing Green Bond that is listed on the AthEx and the rest through a mix of equity and debt. The current status of the investments is split into two categories with high quality new properties making up 16% and development of existing assets the 84%. The notable projects that are currently in progress include: 248-252 Pireos St. (mixed use), 10-12 Chimarras St (office), 40-42 Arditou St. (residential and office), 16 Chimarras St. (office), 199 Kifisias Ave. (office), Mandra (logistics).

**Exhibit F.30.** Scheduled pipeline breakdown c.€384m

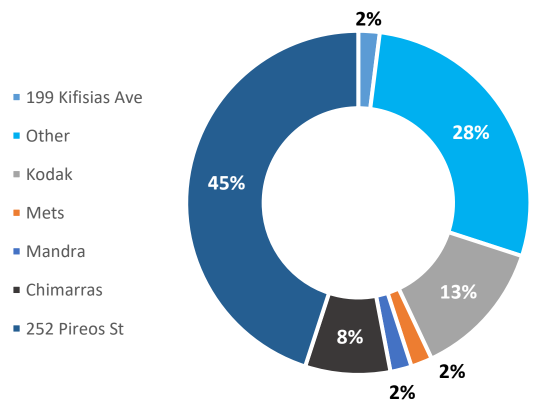
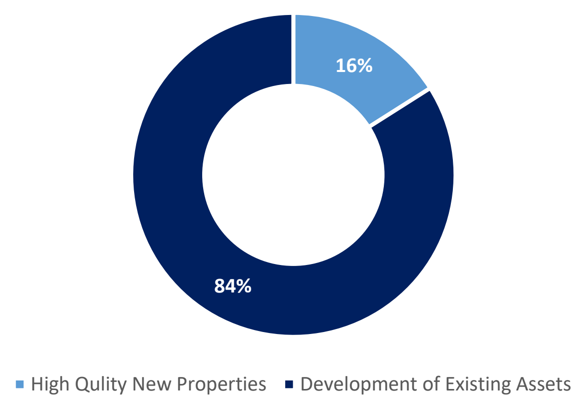



**Exhibit F.31.** New vs Existing asset development




Source: AF Research, Company

**Diversification at its finest form…**

As the group continues to grow its portfolio, the below matrix shows a glimpse of the current standing of Noval Property's top properties in terms of GAV. A total GAV of c €527m (344k sqm GLA) comes from 11 offices, 8 residential, 9 retail, 17 industrial properties, and 3 hospitality, as well land plots that amount to 14. The occupancy rate stands at 97%, the WAULT at 9.5 years (based on the maximum contractual expiration of the leases, taking into account the tenants' extension rights) and the current rental yield at 7.2% (referring only income producing properties).

**Exhibit F.32.** Current Portfolio

| Selected Properties | | | | | |
|---|---|---|---|---|---|
| **Property** | **GAV (€mn)** | **Location** | **Annualized Rent (€mn)** | **Tenants** | **GLA (sq.m)** |
| River West | 95.3 | Rentis / Athens | 6.5 | Various | 36,615 |
| IKEA | 52.9 | Rentis / Athens | 5.6 | HOUSEMARKET S.A. | 25,170 |
| Mare West | 19.5 | Corinth / Greece | 1.7 | Various | 13,051 |
| The Orbit | 88.3 | Athens / Greece | 5.2 | Various | 16,675 |
| The Butterfly | 12.1 | Athens / Greece | 0.7 | Various | 2,286 |
| Wyndham Grand Athens | 35.8 | Athens /Greece | 2.5 | Zeus International | 23,525 |

Source: AF Research, Company

Noval's portfolio will continue to grow with the investment pipeline consisting of several additional projects. The company has earmarked ca €384m assets to be added out of which some clearly identified (€62m new identified + €322m development of existing assets). There is a timeline that expands until 2029, giving a 6-year period of continued growth and a strategic enhancement to the balance of the portfolio.

**Exhibit F.33.** Indicative pipeline (not including all projects)

| Investment Pipeline | | | | | |
|---|---|---|---|---|---|
| **Property** | **Type** | **Location** | **Expected CAPEX (€mn)** | **Development End** | **GBA (sq.m)** |
| 10-12 Chimarras St Through JV "THE GRID" | Office Campus | Athens / Greece | 51* | 2025 | 61,400 |
| 16 Chimarras St | Office Building | Athens / Greece | 29.1 | 2024 | 20,769 |
| 40-42 Ardittou St (Mets) | Residential & Office Building | Athens / Greece | 8.7 | 2024 | 4,034 |
| Logistics Center (Mandra) | Logistics Center | Attica / Greece | 7.6 | 2023 | 9,441 |
| 199 Kifisias Ave | Office Building | Athens / Greece | 9.1 | 2024 | 6,673 |
| 248-252 Pireos St | Offices, Hotel, Residences, Sports | Athens / Greece | 171 | 2028 (Phase A) | 106,000 |

Source: AF Research, Company, *REFERRING TO NP's PARTICIPATION ONLY IN 'THE GRID' JV

**Investment strategy – Grow big, diversified and sustainable**

Management appears committed to an investment strategy that has diversification at its core. With a portfolio that consists of 62 properties of which 33 are income producing and the rest are under development, the upside for further revenue recognition in the coming years aligns with the trajectory of the Company's goal of €1bn portfolio GAV by 2029. The investment pipeline is bolstered with a wide range of projects that will be completed over a period of 6-8 years, with the goal of €384m invested by 2029. The investment portfolio breakdown includes 47% (€180.5m) mixed use, 27% (€103.7m) offices, 9% (€34.6m) retail, 16% (€61.5m) logistics and 1% (€3.85m) other.

Noval Property aligns their investment strategy with a strong tenant mix, always ensuring that top credit worth tenants are occupying the properties in the Company's portfolio. The top three tenants in term of annualized rental income at the moment are IKEA (€5.6m), Viohalco companies (€3.7m) and Wyndham Grand (€2.5m) which in total account for only 39.4% of the annualized rental income of c €30m for 2023. The remaining 60.6% is made up of a large, very diversified tenant pool, consisting of companies like Deutsche Bank, Sklavenitis, Booking.com, Chevron, LG and many others.

Along with having a backbone of strong credit and reputable companies leasing these properties comes the factor of favorable lease terms that Noval Property enjoys. These favorable lease terms minimize cash flow leakage for the Company and help ensure that tenants are locked into these properties for the foreseeable future, with 59% of rental income expiring after 2028. Noval reports that 99.7% of the annualized rent is indexed to the inflation rate which provides protection to the Company against inflation, especially in times of high inflation as we are seeing in Greece and the rest of Europe.

**Viohalco**

The main shareholder and parent company of Noval Property is Viohalco, a Belgium based holding company of various metal processing companies in Europe. The company has a strong commercial network in 21 countries and sales in more than 100 countries worldwide, with the focus being on technological advancement and specialization in the manufacturing of aluminum. Viohalco continues to be a leader in Greece and foreign markets with commitment to sustainable manufacturing of quality innovative and value-adding products for segments including, building and construction, transportation, energy and telecommunication networks, food and pharmaceutical packaging, oil and gas, as well as heating and air conditioning. The companies' offerings align with global sustainability trends, meeting evolving customer needs while operating responsibly. Viohalco's products directly address trends like the circular economy (demand for recyclable items with high recycled content), climate neutrality, energy-efficient buildings, e-mobility, and technological advancements. Viohalco creates value through the development and management of commercial real estate assets by its subsidiaries. Currently Viohalco owns 81.4% of shares in Noval Property (8.7% indirect & 72.7% direct) with the scope to remain a majority shareholder but decreasing its percentage holding allowing a greater percentage free float in the company after the initial IPO is completed in the coming months.

## Key recent developments

| Date | Event |
|---|---|
| January 31, 2022 | The company successfully refinanced its long-term bond loan with "BANK EUROBANK ANONYME S.A." dated July 23, 2020, using the funds from the Green Bond issued on December 6, 2021. This loan was originally intended for the completion of the LEED v4 Gold-certified BUTTERFLY office building in Chalandri. The refinanced amount totaled €5.33m. |
| June 27, 2022 | The Company completed an increase in its share capital by means of a contribution in kind of real estate and shares of companies owning real estate, from related natural and legal persons. The amount of the SCI amounted to €21,346,259. This transaction resulted in a share premium amount of €5,956,058.67. |
| October 3, 2022 | The Company successfully refinanced its jointly secured bond loan with ALPHA TRAPPEZA S.A., dated April 21, 2015, and partially repaid the Open Account Credit Agreement (OCA) No. 45358 of July 29, 2014, also with ALPHA BANK S.A., using funds from the Green Bond. These loans were originally associated with the construction of the environmentally certified Mare West commercial park in Corinth, which holds the prestigious BREEAM In-Use Commercial v6 rating. The refinancing amounted to €6.13m for the bond loan and €5.65m for the OCA. |
| October 26, 2022 | Acquired a €10.96m office building at 199 Kifissia Avenue in Marousi using Green Bond funds. The 6,636 sq.m. building will undergo extensive reconstruction to become a modern, environmentally friendly office space, following bioclimatic design principles and aiming for LEED certification. |
| November 22, 2022 | Acquired two properties in Marousi using Green Bond funds, totaling €2.43 million. The first property is a 1,543.13 sq.m. plot of land, while the second is an undeveloped 1,093.27 sq.m. plot at the junction of Fragoklisiaas & Amarousiou-Chalandriou streets. These adjacent properties will be combined to form a single plot of 2,636.40 sq.m. On this plot, Noval plans to construct a modern office building incorporating bioclimatic and smart design principles, with the aim of obtaining LEED certification. |
| August 01, 2023 | At the request of THE GRID (in which Noval Property holds a 50% stake), the inclusion of their investment project, involving the development of a modern bioclimatic office building in Marousi, into the RRF’s green transition pillar was approved in August 2023. Currently, the contractual documents for bank financing have been signed, which involves the refinancing of an existing bond loan related to this project through the participation of the Recovery and Resilience Fund. |
| October 5, 2023 | Noval Property and EBRD have signed a €10.5m bond loan. The loan, which is mandatorily convertible into newly issued shares, in the context of the obligatory IPO of the Company aims to support the decarbonization of Greece's property sector by funding sustainable "green" asset investments. Noval Property commits to directing the proceeds towards developing, acquiring, and refurbishing environmentally certified buildings, targeting at least LEED "Gold" or BREEAM "Very Good" green certifications. |

## Shareholders structure & corporate governance

**Exhibit F.34.** Shareholders structure (as of H1 2023)

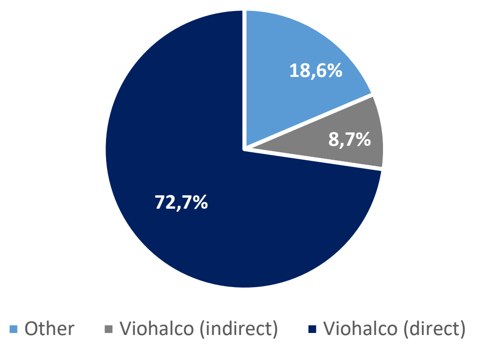



**Exhibit F.35.** Corporate governance


Source: AF Research, Company

## Management Team

### Panagiotis Kapetanakos

CEO, Vice President of Board of Directors
Experience:
- CFO & Co-CEO at Westminster Development Services Limited (London) (redevelopment of the Old War Office)
- Chief Investment Officer (CIO) & Head of Asset Management at NBG Pangaea (now Prodea Investments)
- Head of Real Estate Development Department at Piraeus Real Estate S.A.

### Aikaterini Apergi

CFO, Executive member of BoD
Experience:
- Assistant Director at Alpha Bank’s Wholesale Banking Special Handling Requirements Division
- Head of Real Estate & Hotel Financing Division of Emporiki Bank
- Branch Manager at EUROHYPO AG (Greek branch)
- Various positions in different real estate companies of Piraeus Bank Group

### Evgenia Mourousia

CIO, Executive member of BoD
Experience:
- Manager of Alpha Bank’s Special Purpose companies in Southeastern Europe and of ALPHA ASTIKA AKINITA subsidiary in Romania
- Director of the Real Estate Valuations Division at Emporiki Bank
- Various positions at Emporiki Real Estate

# Premia Properties

**(PREMr.AT / PREMIA GA)**

**Equity Research** | Greece

**Real Estate Management** | Report

## Expanding to new heights

### Diversified and growing

Premia Properties is a company with a diversified portfolio, specializing in logistics, serviced apartments, and social real estate. With a differentiated high yielding portfolio and well-diversified tenant mix, providing resilience to both inflation and interest rate increases.

### Goals for the near future

Management goals for the company include reaching a GAV of €1bn in the next 5 years. As well an LTV below 60%, WAULT to exceed 5 years, debt maturity to exceed 3 years, return on equity to shape higher than 12% and a dividend policy targeting distribution of 50% of FFOs.

### Portfolio evolution continues

The portfolio includes only properties in Greece, with 42 (including 10 properties through PPP agreement) of the 52 being income generating, with GAV amounting to €286.3mn (total AUM) and €196.3mn (income producing). Out of these properties, 63% are logistics, 6% big boxes, 11% services apartments, 10% social infrastructure, 10% industrial and 10 schools through PPP agreement.

### H1 2023 performance

In H1'23, Premia's total income stood at €9.0mn (36.4% y/y), with net profits after tax of €6.0mn (-25% y/y). EBITDA amounted to €8.4mn (-11.57% y/y), and adj. EBITDA reached €4.9mn (63.3% y/y). Investment property grew to €243.8mn (6.4% y/y) in comparison to €229.1m at the end of 2022. Net debt amounted to €139.0mn (7.8% y/y), and net LTV was 48.6%. NAV reached €144.8m while the NAV/share remained at €1.68. During H1'23, Premia acquired an industrial property for IOLI mineral water production and a building in Xanthi to be renovated as a student residence. They also obtained a neighboring plot of land next to Athens for the ongoing green office complex (Piraeus 180). The company also acquired a 25% share in the JV that will acquire 65% of Skyline Real Estate Single Member S.A.

### Near term prospects

The company's current investment program amounts to approximately €150mn by mid-2024, including the utilization of funds from the Recovery Fund for specific upgrades to existing company buildings. The Management's primary focus is on executing the Company's business plan effectively to sustain the growth achieved over the past three years. This involves optimizing and diversifying the investment portfolio while improving its overall quality. The 2023 full revenue potential from existing assets and current projects amounts to c. €22.6mn, (€2.2mn from PPP revenue and €20.6mn rental revenue).

### Valuation, dividend yield

The Group's NAV/share reached €1,68 from €1,64 on December 31, 2023 (+2.43%), suggesting that it trades at 32.1% discount, based on latest available closing price (14/11). A DPS of €0.02 p/s, yielding 2.2% as of 2022.

**Premia Properties**

Not Rated

| | | | |
|---|---|---|---|
| Market cap. (€mn) | 99,3 | Share Price | € 1,14 |
| Shares outst. (mn) | 87,1 | Target Price | - |
| Bloomberg | PREMIA GA | Total Return | - |
| Reuters | PREMr.AT | | |

| **Valuation** | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| P/E | -34,6x | 2,4x | 41,2x | 6,8x | 6,3x |
| P/FFO | -113,2x | 236,1x | 51,3x | 47,8x | 24,6x |
| P/NAV | -1,5x | -5,1x | 2,6x | 0,8x | 0,7x |
| EV/EBITDA | -205,8x | -20,3x | 140,2x | 16,0x | 9,3x |
| EV/Adj. EBITDA | -100,1x | -52,4x | 309,7x | 46,4x | 30,5x |
| FFO Yield (%) | -6% | 1% | 5% | 2% | 4% |
| Dividend Yield * (%) | 0,0% | 0,0% | 0,0% | 0,0% | 2,2% |

| **Per share** | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| EPS | -0,24 | 1,17 | 0,07 | 0,17 | 0,18 |
| FFO | -0,07 | 0,01 | 0,06 | 0,02 | 0,05 |
| NAV | 2,58 | 1,06 | 1,15 | 1,45 | 1,64 |
| NAV (excl. revaluation) | -0,73 | -0,16 | 0,43 | 1,36 | 1,42 |
| DPS | 0,00 | 0,00 | 0,00 | 0,00 | 0,02 |

| **BS data** (€mn) | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| Net Debt | 133 | 23 | 46 | 74 | 129 |
| Shareholders Equity | -65 | -19 | 38 | 126 | 141 |
| GAV | 78 | 31 | 106 | 199 | 273 |
| NAV | -66 | -20 | 38 | 126 | 141 |
| NAV (excl. revaluation) | -64 | -14 | 37 | 119 | 124 |
| LTV | 173,1% | 80,6% | 47,0% | 51,8% | 64,8% |
| Net LTV | 171,5% | 73,9% | 43,0% | 37,1% | 47,3% |

| **P&L data** (€mn) | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| Revenues | 1,7 | 1,6 | 1,7 | 9,5 | 15,1 |
| EBITDA | -1,1 | -6,0 | 1,0 | 10,8 | 24,4 |
| EBITDA Adjusted | -2,3 | -2,3 | 0,5 | 3,7 | 7,5 |
| EBIT | -1,2 | -6,0 | 0,9 | 10,6 | 24,2 |
| Net income | -2,9 | 41,7 | 2,4 | 14,6 | 15,9 |
| FFO | -0,9 | 0,4 | 1,9 | 2,1 | 4,0 |

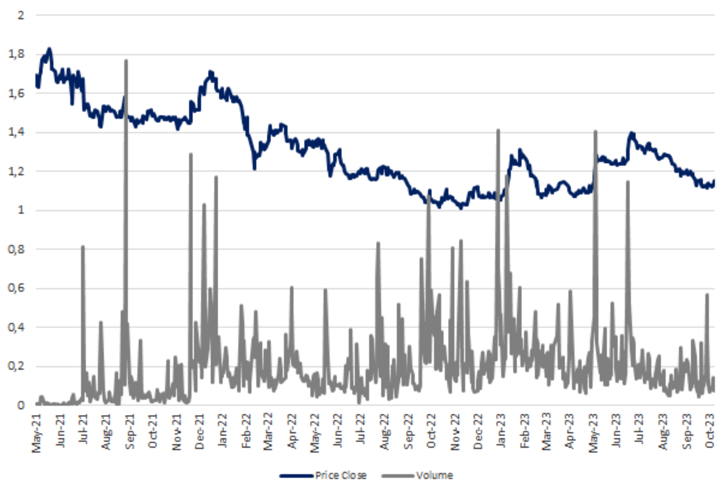
| **Performance** | 1m | 3m | 6m | 12m | YTD |
|---|---|---|---|---|---|
| Absolute | -1% | -13% | 3% | 4% | 5% |
| Relative | -7% | -10% | -7% | -34% | -28% |

Source: AF Research, Bloomberg LP, Refinitiv

## Premia Properties

| Year End | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| | act | act | act | act | act |
| **Income Statement (€mn)** | | | | | |
| Revenues | 1,7 | 1,6 | 1,7 | 9,5 | 15,1 |
| EBITDA | -1,1 | -6,0 | 1,0 | 10,8 | 24,4 |
| EBITDA Adjusted | -2,3 | -2,3 | 0,5 | 3,7 | 7,5 |
| Depreciation | 0,0 | 0,0 | -0,1 | -0,3 | -0,3 |
| EBIT | -1,2 | -6,0 | 0,9 | 10,6 | 24,2 |
| Net Financials | -2,2 | 45,5 | 0,4 | -1,0 | -3,5 |
| EBT | -3,3 | 39,5 | 1,4 | 9,6 | 16,2 |
| Taxes | -0,5 | -2,2 | -1,0 | -5,1 | 0,4 |
| Net Income | -2,9 | 41,7 | 2,4 | 14,6 | 15,9 |
| FFO | -0,9 | 0,4 | 1,9 | 2,1 | 4,0 |
| **Balance Sheet (€mn)** | | | | | |
| Cash | 1 | 30 | 2 | 22 | 41 |
| Current Assets | 3 | 33 | 11 | 33 | 50 |
| Investment Property | 78 | 31 | 66 | 147 | 229 |
| Non Current Assets | 78 | 31 | 100 | 204 | 275 |
| Total Financial Assets | 0 | 0 | 40 | 39 | 38 |
| Total Assets | 80 | 64 | 111 | 236 | 325 |
| Current Liabilities | 122 | 24 | 29 | 45 | 7 |
| Non Current Liabilities | 24 | 59 | 44 | 65 | 176 |
| Debt | 128 | 25 | 50 | 98 | 171 |
| Net Debt | 133 | 23 | 46 | 74 | 129 |
| Shareholders Equity | -65 | -19 | 38 | 126 | 141 |
| **Cash Flow (€mn)** | | | | | |
| CFO | 1 | 0 | 3 | 2 | 6 |
| Capex | 0 | 0 | 0 | 0 | -2 |
| WC Change | 0 | 0 | 4 | 2 | 2 |
| FCF | 1 | 0 | 3 | 2 | 4 |
| **Per Share** | | | | | |
| EPS | -0,24 | 1,17 | 0,07 | 0,17 | 0,18 |
| FFO | -0,07 | 0,01 | 0,06 | 0,02 | 0,05 |
| NAV | 2,58 | 1,06 | 1,15 | 1,45 | 1,64 |
| NAV (excl. revaluation) | -0,73 | -0,16 | 0,43 | 1,36 | 1,42 |
| Dividend | 0,00 | 0,00 | 0,00 | 0,00 | 0,02 |
| FCF | 0,01 | 0,01 | 0,03 | 0,02 | 0,05 |

**Graph**




Source: AF Research, Bloomberg LP, Refinitiv

| Year End | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| | act | act | act | act | act |
| **Income Statement yoy (%)** | | | | | |
| Revenues | | -3% | 4% | 459% | 58% |
| EBITDA | | 433% | -117% | 947% | 125% |
| EBITDA Adjusted | | 0% | -120% | 697% | 100% |
| Depreciation | | -73% | 1.252% | 204% | -11% |
| EBIT | | 422% | -116% | 1.020% | 129% |
| Net Financials | | -2.198% | -99% | -324% | 257% |
| EBT | | -1.288% | -96% | 592% | 70% |
| Taxes | | 391% | -54% | 393% | -107% |
| Net Income | | -1.552% | -94% | 507% | 8% |
| FFO | | -148% | 360% | 7% | 94% |
| **Margins (%)** | | | | | |
| EBITDA Margin | -66% | -366% | 61% | 114% | 162% |
| EBITDA Margin Adjusted | -137% | -142% | 27% | 39% | 50% |
| EBIT Margin | -68% | -367% | 55% | 111% | 160% |
| Net Income Margin | -169% | 2541% | 141% | 154% | 105% |
| **Margins (yoy change, bps)** | | | | | |
| EBITDA Margin | | -29997 | 42714 | 5313 | 4815 |
| EBITDA Margin Adjusted | | -539 | 16957 | 1171 | 1042 |
| EBIT Margin | | -29891 | 42214 | 5560 | 4943 |
| Net Income Margin | | 271011 | -239965 | 1237 | -4848 |
| **Leverage** | | | | | |
| Net Debt / Equity | -1,9x | 0,4x | 1,2x | 0,5x | 0,9x |
| Net Debt / Capital | 2,0x | -1,2x | 0,5x | 0,3x | 0,4x |
| Net Debt / EBITDA | -112,5x | 1,2x | 44,2x | 6,4x | 5,1x |
| Interest Covered | 0,4x | -0,3x | 0,8x | 2,2x | 7,9x |
| **Performance (%)** | | | | | |
| RoE | 4% | -216% | 6% | 12% | 11% |
| RoIC | -4% | 1.139% | 3% | 7% | 6% |
| RoA | -4% | 65% | 2% | 6% | 5% |
| **Valuation Metrics** | | | | | |
| P/FFO | -113,2x | 236,1x | 51,3x | 47,8x | 24,6x |
| P/NAV | -1,5x | -5,1x | 2,6x | 0,8x | 0,7x |
| EV/EBITDA | -205,8x | -20,3x | 140,2x | 16,0x | 9,3x |
| FFO Yield (%) | -6% | 1% | 5% | 2% | 4% |
| Dividend Yield * (%) | 0% | 0% | 0% | 0% | 2% |

**What's Changed**

| | | | |
|---|---|---|---|
| Rating | Not Rated | From | - |
| Risk | - | From | - |
| Target Price | - | From | - |
| Forward EPS | - | From | - |

**Company Info**

| | |
|---|---|
| Share Price | € 1,14 |
| Market Cap (mn) | € 99,3 |
| Ticker (Bloomberg) | PREMIA GA |
| Ticker (Reuters) | PREMr.AT |
| Free Float | 20% |
| Sector | Real Estate Management |
| Auditor | EY |

**Company Description**

Premia Properties is a fast-growing real estate company, currently operating under Société Anonyme form. The company's portfolio focuses on logistics/warehouses, food retail & social real estate sectors. Income generating portfolio includes five fully-let properties in Attica region (four logistics and one big box), with a weighted average lease term of 5.3 years, while it has entered a PPP agreement related to the management of ten schools for 20 years.

# Portfolio breakdowns and historic evolution

**Exhibit F.36.** By gross assets

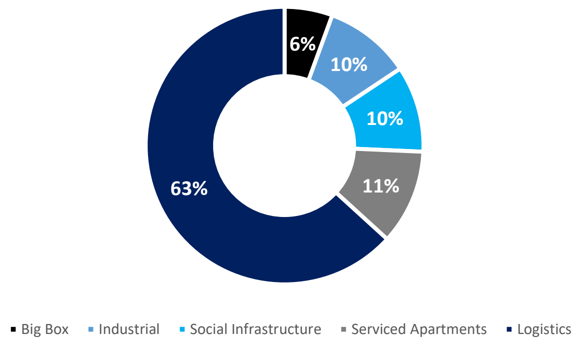



**Exhibit F.37.** By number of income producing properties

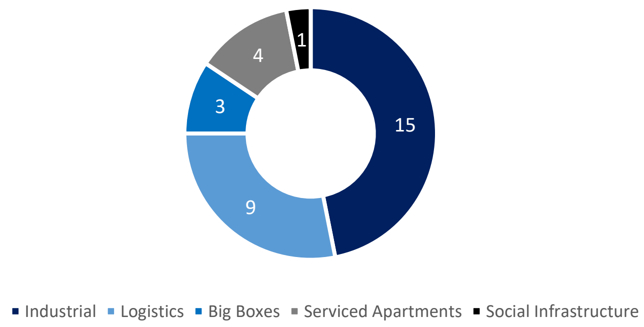



**Exhibit F.38.** By geography

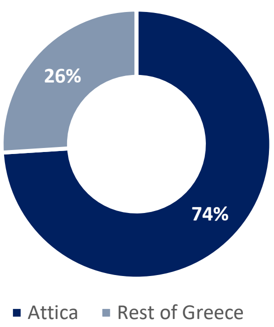



**Exhibit F.39.** By rental income

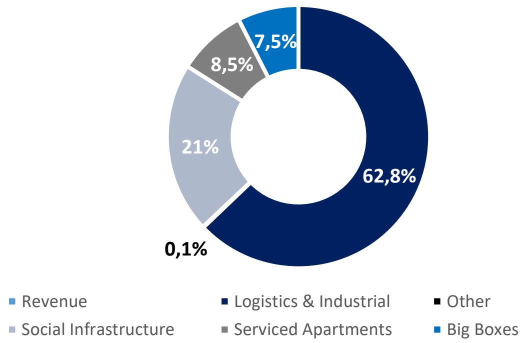



**Exhibit F.40.** Tenant mix in terms of annualized rent

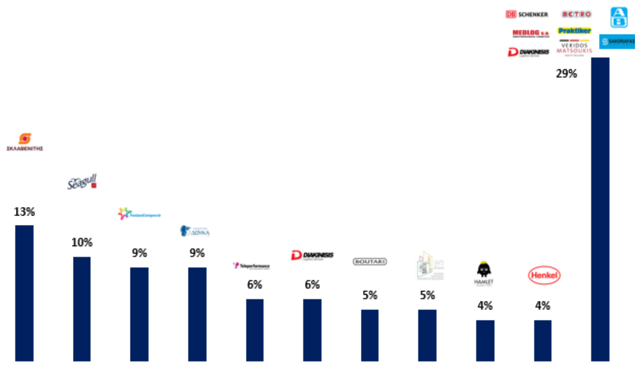



**Exhibit F.41.** Rental income expiring, WAULT at 7.2 yrs

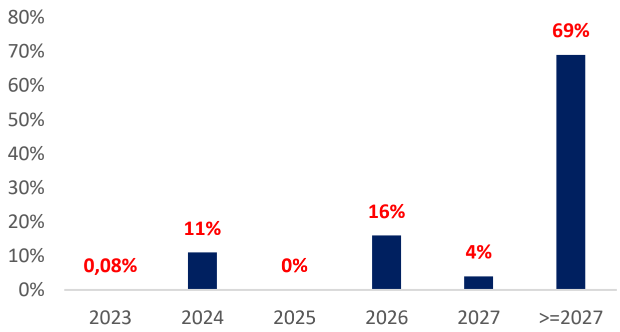
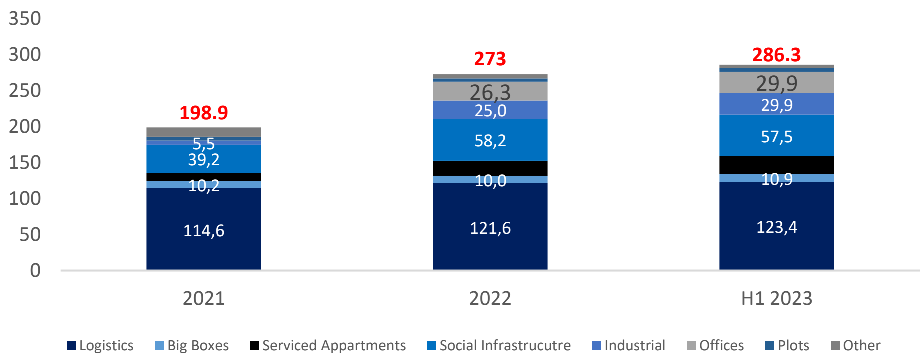



**Exhibit F.42.** GAV 2021 vs 2022 vs H1 2023




42 investment properties 32 income producing properties and 10 properties for future development with a total fair value of €243.8mn

10 schools under management via a service concession (PPP) contract, with the total value of the relevant concession right reaching €37.2 mn

Source for all graphs: AF Research, Company

## Key financial metrics

**Exhibit F.43.** Revenue evolution

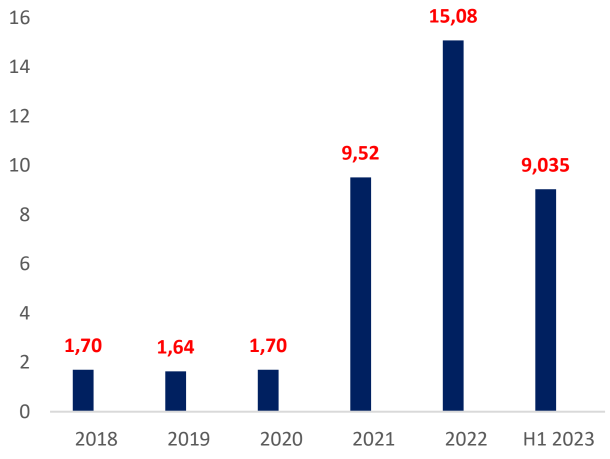



**Exhibit F.44.** EBITDA evolution

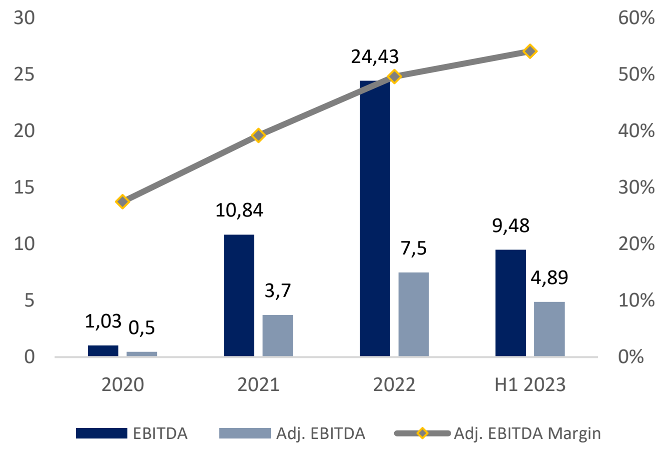



**Exhibit F.45.** Gross rental yield over time

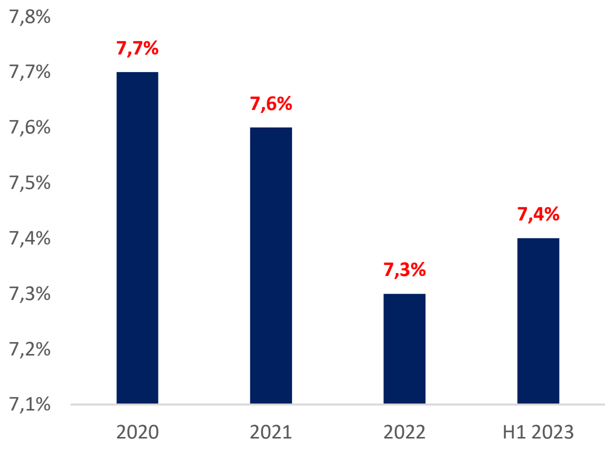



**Exhibit F.46.** FFO evolution

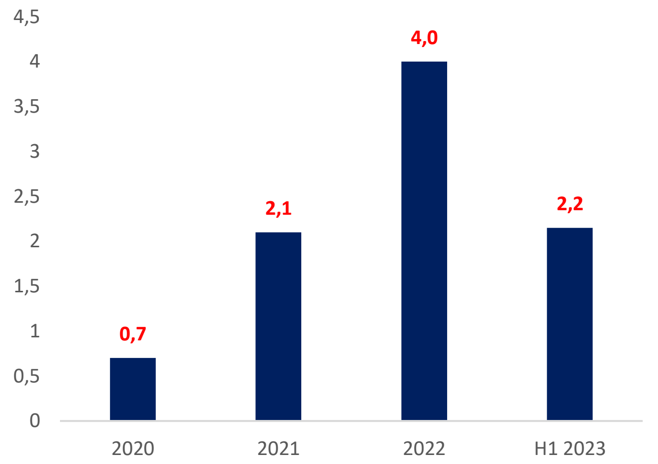



**Exhibit F.47.** NAV evolution

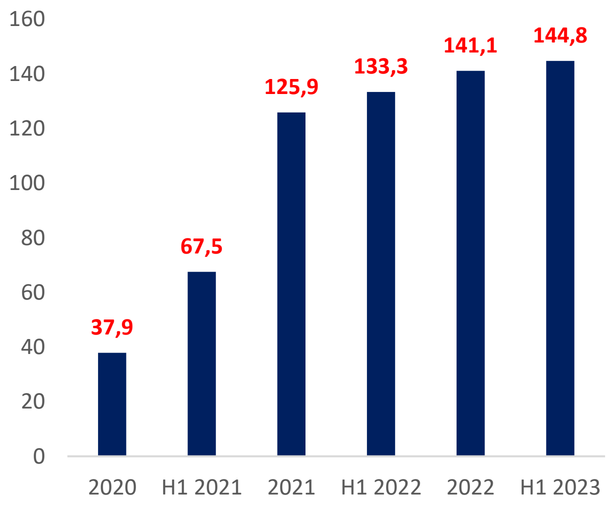
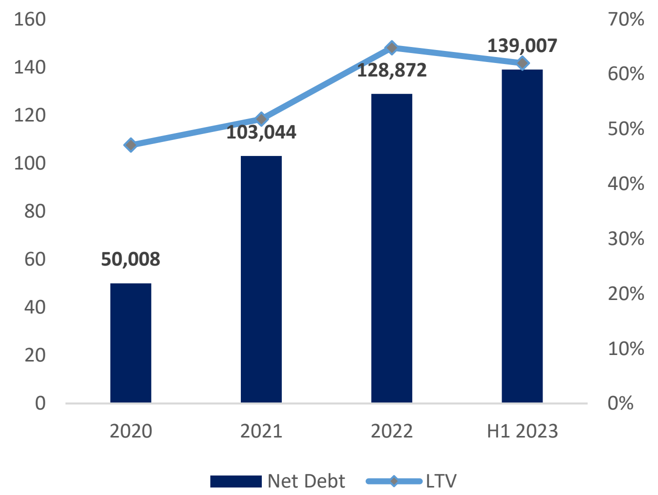



**Exhibit F.48.** Net Debt & LTV evolution




Source for all graphs: AF Research, Company

**Exhibit F.49.** GAV evolution

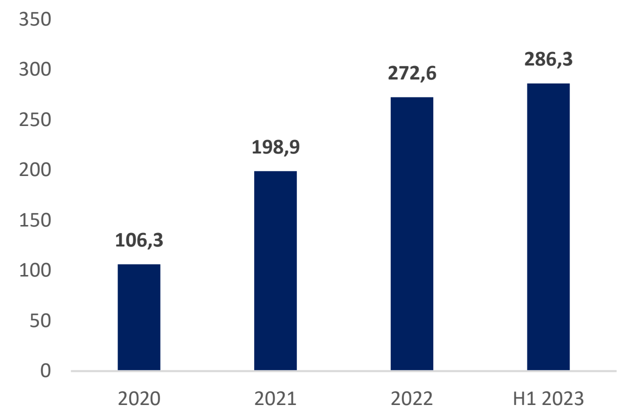



**Exhibit F.50.** Debt repayment maturity

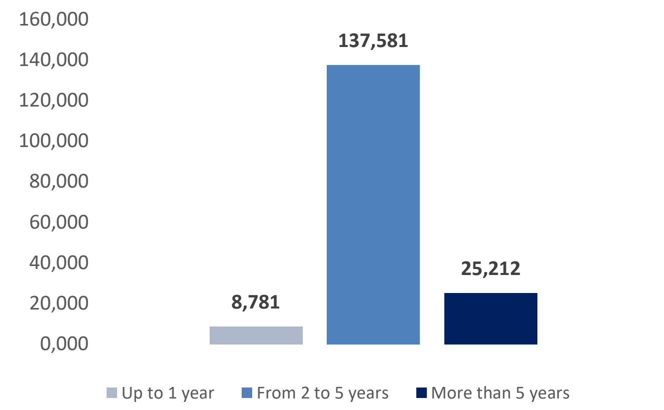



**Exhibit F.51.** Debt profile

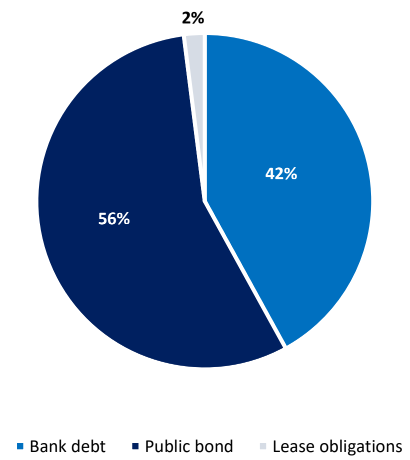
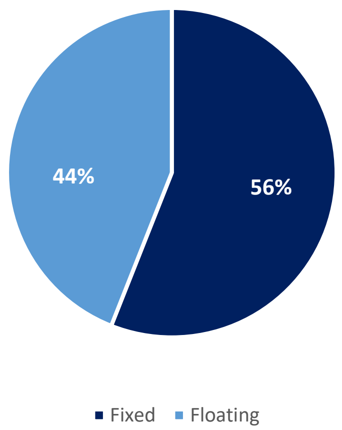



**Exhibit F.52.** Debt split by rate type




Source for all graphs: AF Research, Company

## Brief history and key recent developments

### Brief history – Key milestones

| | |
|---|---|
| 2008 | Listed in Athens Stock Exchange |
| 2009 | Acquisition of 37.80% of TRASTOR REIC and management take over |
| 2015 | Divestment of TRASTOR REIC |
| 2020 | Increase of Share Capital by €10 mil., from STERNER STENHUS GREECE AB acquiring a significant stake of 87.64%. / Share capital increase of €9,1 million with contributions in kind Strategic Partnership with NOE Metal Constructions S.A. |
| 2021 | Share capital increase, of a €75 mil. total value, partly by contribution in-kind and partly in cash. Strategic shareholder is Fastighets AB Balder which acquires 17% of the Company |
| 2022 | Successful issue of a Common Bond Loan of €100 million / Licensing of Premia Properties as a Real Estate Investment Company (REIC) |

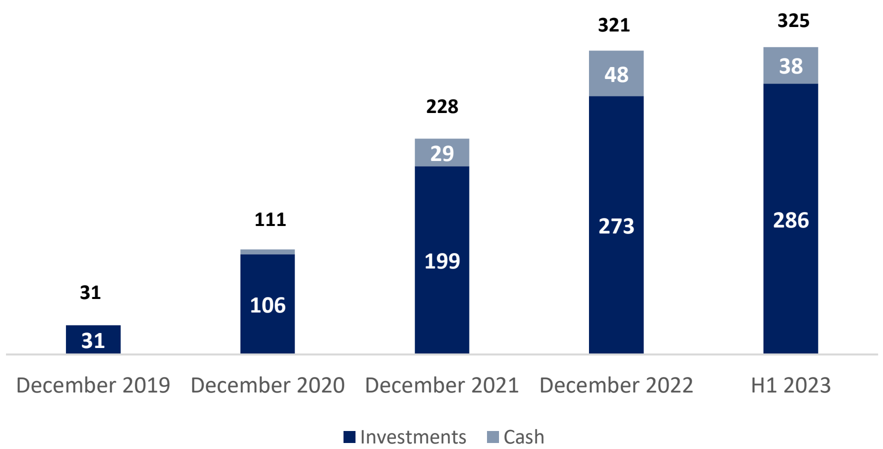
**Company description as of today**

Premia Properties REIC was founded in 1991. Since 2008, its shares have been traded on the Athens Stock Exchange. In July 2020, the majority stake of PREMIA was acquired by the Swedish real estate group STERNER STENHUS. The company aims to achieve growth by creating a diversified portfolio that generates attractive and sustainable risk-adjusted returns for its stakeholders. Premia focuses its investments on properties associated with vital sectors of the economy, such as logistics, commercial big boxes, social infrastructure real estate (education sector), serviced apartments, and health. It follows a clear investment policy designed to optimize synthesis and diversify its investment portfolio while enhancing its qualitative characteristics. The company strives to strengthen its presence in key segments where it is already active while considering selectively entering new segments of the real estate market.

**Strategy**

Premia's main goal is to build a portfolio of high-quality real estate with low volatility and adequate risk spread. This is achieved through strategic partnerships with financially sound tenants on long-term agreements, ensuring high lease performance. The company also actively pursues energy upgrades for selected properties and capitalizes on development-worthy assets within its portfolio. Premia's investment strategy revolves around three pillars: i) growth, involving targeted acquisitions in logistics, residential, big-box, and social real estate sectors with an average gross yield target of >7%, ii) asset management, prioritizing a balanced and diversified portfolio, creditworthy tenants, and proactive lease management to unlock value from existing developments and uphold sustainable practices and iii) financing, emphasizing effective liability management, capital raising, and a disciplined approach to maintaining debt ratios. Overall, these pillars position Premia for long-term value creation and growth in the real estate market, benefiting the company and its shareholders.

**Exhibit F.53.** Historic evolution of portfolio




Source: AF Research, Company

**2019**: 5 AUM

**2020**: 17 AUM

**2021**: 27 AUM, €75mn combined SCI in-cash/In-kind (July)

**2022**: 50 AUM, €100mn listed issued (January), REIC (April)

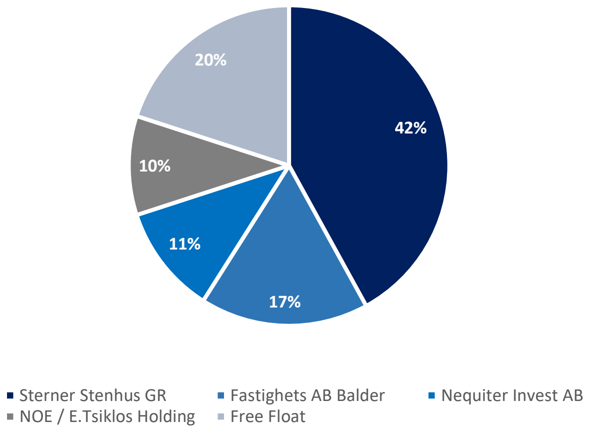
Total investments & Cash c.10x in 3 years

## Key recent developments

| Date | Event |
|---|---|
| May 25, 2022 | PREMIA MAROUSI purchased a leased property in Marousi, Attica, including school buildings and sports/cultural facilities of Doukas Schools. The total area is 23,113.91 sq.m, and the acquisition price was €19.62 million (excluding acquisition costs of €0.17 million). |
| September 8, 2022 | PREMIA entered an agreement with LEROY MERLIN for leasing a Dark Store warehouse in Oreokastro, Thessaloniki. The property, owned by PREMIA, spans 2,730 sq.m., with a total land plot of 39,608 sq.m. There is an additional building of 10,868 sq.m. available for further development. The project will be completed in the 1st half of 2023, marking a 9-year lease agreement and a strategic partnership for PREMIA in the Dark Store sector, collaborating with a leading home improvement and DIY company. |
| October 30, 2022 | PRIMALAFT S.A. acquired the shopping center "Athens Heart" following a court decision validating the rehabilitation agreement of DORECO S.A. The property has a total area of 52,503 sq.m., including parking lots, with a leasable area of 18,471 sq.m. It is situated on a land plot of 10,633 sq.m. The acquisition price for the property, including equipment, lease agreements, licenses, and signs, was €17.7 million (excluding study costs and other acquisition expenses of €2.75 million). PREMIA intend to transform the property into a green office complex. |
| November 2, 2022 | Completed the transfer of the properties of the companies "J.BOUTARIS & SON S.A." & "J.BOUTARIS & SON HOLDING S.A." ("BOUTARIS") to the Company in implementation of the court decision as of 22/8/2022 on the ratification of the Resolution Agreement for the aforementioned companies. In more detail, PREMIA acquired, for a price € 12,331 thousand, (not including acquisition cost € 916 thousand) 17 properties (mainly winery and vineyards). |
| December 5, 2022 | The Company proceeded with the acquisition of a leased industrial building in Kryoneri, Attica, of total area 5,237 sq.m., for the price €2,080 thousand (not including acquisition cost € 41 thousand). |
| February 4, 2023 | Final agreement was signed for PREMIA's acquisition of 65% of the share capital of Skyline Real Estate Single Member S.A. from Alpha Group Investments Ltd. The acquisition is part of the "P & E INVESTMENTS S.A. PROPERTY DEVELOPMENT" Investor Consortium, with PREMIA holding a 25% stake and Dimand Group holding 75%. The Investor Consortium will acquire 65% of Skyline's share capital, while Alpha Bank will retain a 35% stake. Skyline owns a portfolio of 573 assets in various sectors, including offices, commercial real estate, retail, residential assets, and industrial/logistics properties. Many assets are already leased, primarily by Alpha Bank, and others will be redeveloped, repositioned, or sold. The total value of the real estate portfolio is €438 million and will be gradually transferred to Skyline in phases. The transaction aims to be completed by the end of the 2nd quarter of 2023. |
| February 17, 2023 | The Company proceeded with the acquisition of a leased property with a surface area of 12,230 sq.m. within a land plot with a total surface area of 99,133 sq.m, located in the area of Moschochori, Fthiotis, on which the facilities of IOLI Natural Mineral Water are located. The lessee of the property is the newly established company IOLI SPRING SINGLE-MEMBER SOCIÉTÉ ANONYME, a subsidiary of STERNER STENHUS GREECE (the main shareholder of the Company, which from November 2022 also holds the majority share in BOUTARI WINERIES SOCIÉTÉ ANONYME). The consideration amounted to € 2.1 million (not including acquisition cost € 0.115 million) and the fair value of the property amounted to € 3.6 million. |
| March 21, 2023 | PREMIA finalized the acquisition of a stand-alone property in Xanthi for €2.1 million. The property spans 5,250 sq.m. and will be transformed into student residencies with 105 furnished apartments and ground floor retail space. Renovation works are projected to be finished by the end of 2023. |

## Shareholders structure, corporate governance and management team

**Exhibit F.54.** Shareholder structure




Source: AF Research, Company

**Exhibit F.55.** Corporate Governance

**BoD** ▪ 5 Non-Executive memebrs (out of which 3 independent) ▪ 3 Executive members

**Investment Committee** ▪ 3 Members ▪ 2 BoD Members – 1 executive member

**Audit Committee** ▪ 3 Non-Executive Members (out of which 2 independent)

**Remuneration & Nomination Committee** ▪ 3 Non-Executive Members (out of which 2 independent)

## Management Team

**Konstantinos Markazos, CEO, and member of BoD,** has many years of experience in Greek and multinational companies and a history with remarkable results in productivity and corporate profitability. He has published several articles with financial and tax content.

**Nikolaos Baziotis, CFO/CIO,** possesses extensive professional experience, more than 19 years in total, in the banking and investments sectors, having held roles of responsibility in leading banking and corporate groups.

**Georgios Bakos, COO/Head of Asset Management,** has more than 30 years of work experience in C Level positions in Greece, Bulgaria, Romania, Hungary, and Cyprus. Previously to his current position, he was the General Manager of the Zeritis Group of companies, which operates in the real estate market in Greece and Hungary, as well as in the paper production in Bulgaria and in recycling in Hungary.

**Maria Anastasiou, Chief Accountant,** has over 20 years of experience in the accounting industry.

**Kalliopi Kalogera, Chief Legal Counsel,** is a Lawyer, a graduate of the Law School of Athens and a member of the Athens Bar Association. She is also specialized in the whole range of Commercial and Civil Law, with further specialization in Tax Law. Today provides her services as Legal & Tax Counsel to the group of companies, Sterner Stenhus in Greece.

**Constantin Pechlivanidis, Chief Property Investment Officer,** has more than 31 years as an advisor and principal in the real estate markets of Greece and Southeast Europe, having held positions of responsibility in various leading Greek and international organizations.

# PRODEA Investments

**(PRODr.AT / PRODEA GA)**

**Equity Research** | Greece

**Real Estate Management** | Report

## The leader of the pack

**The largest REIC in Greece –** Prodea Investments owns a portfolio of 378 assets totaling €2.6bn in GAV terms, by far the largest between domestic peers. It is one of the first REICs established in Greece, initially as a spin-off of National Bank of Greece's real estate assets.

**Large, diversified portfolio -** The portfolio includes properties both in Greece (69% of AUM) and abroad (Italy at 14%, Cyprus at 13%, Romania/Bulgaria at 4%), well balanced across asset types, such as offices (45%), retail (big boxes/high street at 18% of AUM), bank branches (16%), hospitality (11%) and logistics (5%). Its portfolio sports a 93.4% occupancy, with a WAULT of 11.3 years (8.3 years including break options). Prodea's portfolio enjoys long-term contracts which are generally inflation protected.

**A 'green' pipeline of € 0.5bn** - With a solid capital structure and a LTV of mid-fifties, PRODEA can capitalize on new investment opportunities. To this direction, management, which has a solid track record, has identified a pipeline of €0.5bn which is expected to enhance its green assets footprint and tap additional sectors, such as hospitality and logistics. It is worth mentioning that the company leads the domestic market in terms of green/energy efficient assets, with c€538mn GAV (c.37% of office GAV), upon completion of development projects.

**H1 2023 performance**

The Group recorded an increase of revenue of 18% (compared to H1 2022), amounting to €86.7mn, with the rise due to development progress, fresh investments in income-generating real estate, and new leases aligning with the company's strategy to enhance the investment portfolio's quality and sustainability. In H1'23, operating profit amounted to €58.9mn (28.4% over H1 2022), while adjusted EBITDA was €59.7mn (32.7% over H1 2022).

The Group's AUM as of June 30th, 2023, amounted to €2.83bn vs €2.81bn on December 31, 2022. Prodea's NAV as of June 30th, 2023, stood at €1.49bn or €5.84 per share. Prodea is in the process of selling a portion of its real estate holdings to generate funds for loan repayment and refinancing. They've arranged a deal with National Bank to sell 43 leased properties for €237.25mn, with €83.25mn already collected (for a property housing National Bank's IT center). The remainder of the agreement is expected to be finalized by November 30th.

**Valuation, dividend yield**

The Group's NAV/share reached €5,84 from €5,77 on December 31, 2023 (+1.21%), suggesting that it trades at 25% premium, based on latest available closing price (14/11) albeit with the free float being extremely limited. Given the interim dividend distribution of €0.110, the final dividend distributed for 2022 amounts to €0.145 p/s, yielding 4.4% as of 2022.

**PRODEA Investments**

Not Rated

| | | | |
|---|---|---|---|
| Market cap. (€mn) | 1.865,1 | Share Price | € 7,30 |
| Shares outst. (mn) | 255,5 | Target Price | - |
| Bloomberg | PRODEA GA | Total Return | - |
| Reuters | PRODr.AT | | |

| **Valuation** | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| P/E | 16,2x | 6,2x | 29,6x | 10,7x | 15,1x |
| P/FFO | 27,6x | 25,9x | 26,8x | 30,6x | 32,8x |
| P/NAV | 1,4x | 1,3x | 1,4x | 1,3x | 1,3x |
| EV/EBITDA | 15,9x | 7,9x | 28,1x | 13,0x | 18,1x |
| EV/Adj. EBITDA | 23,4x | 24,5x | 26,4x | 27,7x | 27,9x |
| FFO Yield (%) | 3,6% | 3,9% | 3,7% | 3,3% | 3,0% |
| Dividend Yield * (%) | 5,7% | 11,0% | 6,6% | 5,1% | 4,4% |

* based on NAV

| **Per share** | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| EPS | 0,45 | 1,14 | 0,25 | 0,67 | 0,50 |
| FFO | 0,26 | 0,28 | 0,27 | 0,24 | 0,22 |
| NAV | 5,04 | 5,56 | 5,35 | 5,47 | 5,77 |
| NAV (excl. revaluation) | 4,66 | 4,27 | 3,88 | 3,80 | 3,89 |
| DPS | 0,29 | 0,61 | 0,35 | 0,28 | 0,25 |

| **BS data** (€mn) | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| Net Debt | 514 | 805 | 797 | 948 | 1.167 |
| Shareholders Equity | 1.287 | 1.461 | 1.403 | 1.526 | 1.573 |
| GAV | 1.779 | 2.123 | 2.346 | 2.329 | 2.538 |
| NAV | 1.287 | 1.419 | 1.368 | 1.396 | 1.475 |
| NAV (excl. revaluation) | 1.190 | 1.090 | 990 | 970 | 994 |
| LTV | 31% | 42% | 47% | 55% | 54% |
| Net LTV | 29% | 39% | 37% | 42% | 47% |

| **P&L data** (€mn) | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| Revenues | 121,4 | 135,6 | 133,9 | 134,2 | 186,9 |
| EBITDA | 149,3 | 339,4 | 94,7 | 216,6 | 167,9 |
| EBITDA Adjusted | 101,6 | 109,1 | 100,7 | 101,7 | 108,5 |
| EBIT | 147,1 | 320,4 | 90,3 | 187,0 | 166,5 |
| Net income | 115,1 | 298,9 | 62,9 | 175,1 | 123,8 |
| FFO | 67,7 | 71,9 | 69,6 | 61,0 | 56,8 |

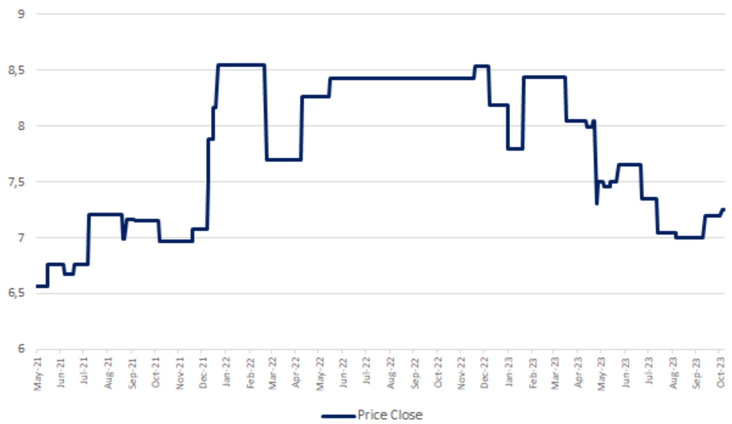
| **Performance** | 1m | 3m | 6m | 12m | YTD |
|---|---|---|---|---|---|
| Absolute | 1% | 4% | -10% | -16% | -16% |
| Relative | -4% | 7% | -20% | -53% | -49% |

Source: AF Research, Refinitiv, Bloomberg LP

## PRODEA Investments

| Year End | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| | act | act | act | act | act |
| **Income Statement (€mn)** | | | | | |
| Revenues | 121 | 136 | 134 | 134 | 187 |
| EBITDA | 149 | 339 | 95 | 217 | 168 |
| EBITDA Adjusted | 102 | 109 | 101 | 102 | 109 |
| Depreciation | (0) | (0) | (0) | (1) | (1) |
| EBIT | 147 | 320 | 90 | 187 | 166 |
| Net Financials | (22) | (20,5) | (29) | (38) | (43) |
| EBT | 127 | 311 | 65 | 178 | 125 |
| Taxes | 12 | 14 | 2 | 3 | 1 |
| Net Income | 115 | 299 | 63 | 175 | 124 |
| FFO | 68 | 72 | 70 | 61 | 57 |
| **Balance Sheet (€mn)** | | | | | |
| Cash | 46 | 71 | 105 | 305 | 183 |
| Current Assets | 93 | 188 | 484 | 441 | 315 |
| Investment Property | 1.779 | 2.090 | 1.918 | 2.280 | 2.491 |
| Non Current Assets | 1.793 | 2.239 | 1.966 | 2.415 | 2.699 |
| Total Financial Assets | 0 | 0 | 0 | 0 | 15 |
| Total Assets | 1.886 | 2.428 | 2.449 | 2.856 | 3.013 |
| Current Liabilities | 479 | 82 | 727 | 260 | 201 |
| Non Current Liabilities | 121 | 885 | 319 | 1.071 | 1.239 |
| Debt | 560 | 876 | 902 | 1.253 | 1.350 |
| Net Debt | 514 | 805 | 797 | 948 | 1.167 |
| Shareholders Equity | 1.287 | 1.461 | 1.403 | 1.526 | 1.573 |
| **Cash Flow (€mn)** | | | | | |
| CFO | 72 | 80 | 70 | 46 | 91 |
| Capex | (1) | (7) | (10) | (21) | (27) |
| WC Change | (4) | (1) | (8) | 13 | (21) |
| FCF | 71 | 73 | 61 | 25 | 64 |
| **Per Share** | | | | | |
| EPS | 0,45 | 1,14 | 0,25 | 0,67 | 0,50 |
| FFO | 0,26 | 0,28 | 0,27 | 0,24 | 0,22 |
| NAV | 5,04 | 5,56 | 5,35 | 5,47 | 5,77 |
| NAV (excl. revaluation) | 4,66 | 4,27 | 3,88 | 3,80 | 3,89 |
| DPS | 0,29 | 0,61 | 0,35 | 0,28 | 0,26 |
| FCF | 0,28 | 0,29 | 0,24 | 0,10 | 0,25 |

**Graph**




Source: AF Research, Refinitiv, Bloomberg LP

| Year End | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| | act | act | act | act | act |
| **Income Statement yoy (%)** | | | | | |
| Revenues | | 12% | -1% | 0% | 39% |
| EBITDA | | 127% | -72% | 129% | -22% |
| EBITDA Adjusted | | 7% | -8% | 1% | 7% |
| Depreciation | | 168% | 227% | 20% | -1% |
| EBIT | | 118% | -72% | 107% | -11% |
| Net Financials | | -6% | 41% | 30% | 13% |
| EBT | | 144% | -79% | 173% | -30% |
| Taxes | | 15% | -84% | 43% | -73% |
| Net Income | | 160% | -79% | 178% | -29% |
| FFO | | 6% | -3% | -12% | -7% |
| **Margins (%)** | | | | | |
| EBITDA Margin | 123% | 250% | 71% | 161% | 90% |
| EBITDA Margin Adjusted | 84% | 80% | 75% | 76% | 58% |
| EBIT Margin | 121% | 236% | 67% | 139% | 89% |
| Net Income Margin | 95% | 221% | 47% | 130% | 66% |
| **Margins (yoy change, bps)** | | | | | |
| EBITDA Margin Adjusted | | -326 | -530 | 59 | -1.769 |
| **Leverage** | | | | | |
| Net Debt / Equity | 0,4x | 0,6x | 0,6x | 0,6x | 0,7x |
| Net Debt / Capital | 0,3x | 0,3x | 0,3x | 0,3x | 0,4x |
| Net Debt / EBITDA | 3,4x | 2,4x | 8,4x | 4,4x | 6,9x |
| Interest Covered | 6,7x | 15,6x | 3,1x | 5,0x | 3,9x |
| **Performance (%)** | | | | | |
| RoE | 9% | 20% | 4% | 11% | 8% |
| RoIC | 6% | 13% | 3% | 7% | 5% |
| RoA | 6% | 12% | 3% | 6% | 4% |
| **Valuation Metrics** | | | | | |
| P/FFO | 27,6x | 25,9x | 26,8x | 30,6x | 32,8x |
| P/NAV | 1,4x | 1,3x | 1,4x | 1,3x | 1,3x |
| EV/EBITDA | 15,9x | 7,9x | 28,1x | 13,0x | 18,1x |
| FFO Yield (%) | 3,6% | 3,9% | 3,7% | 3,3% | 3,0% |
| Dividend Yield * (%) | 5,7% | 11,0% | 6,6% | 5,1% | 4,4% |

**What's Changed**

| | | | |
|---|---|---|---|
| Rating | Not Rated | From | - |
| Risk | - | From | - |
| Target Price | - | From | - |
| Forward EPS | - | From | - |

**Company Info**

| | |
|---|---|
| Share Price | € 7,30 |
| Market Cap (mn) | € 1.865 |
| Ticker (Bloomberg) | PRODEA GA |
| Ticker (Reuters) | PRODr.AT |
| Free Float | 13% |
| Sector | Real Estate Management |
| Auditor | EY |

**Company Description**

PRODEA Investments is the leading real estate investment company in Greece. Its real estate portfolio consists of more than 350 commercial properties, primarily office and retail, but also expanding in the logistics and hospitality sector. More than 80% of its portfolio is located in prime urban areas throughout Greece and Cyprus, while it is selectively positioned in other key markets in South East Europe, such as Italy.

## Portfolio breakdowns and historic evolution

**Exhibit F.56.** By assets under management (AUM)

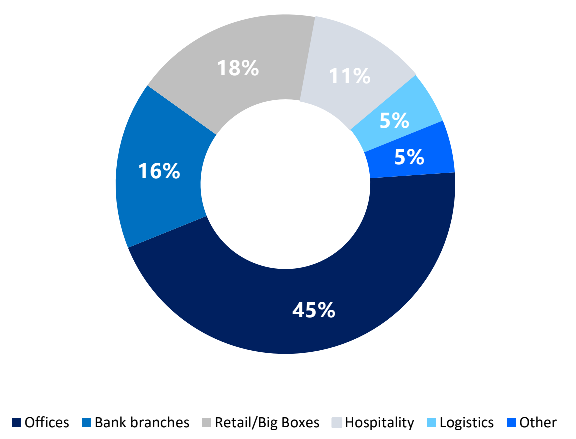



**Exhibit F.57.** By number of properties

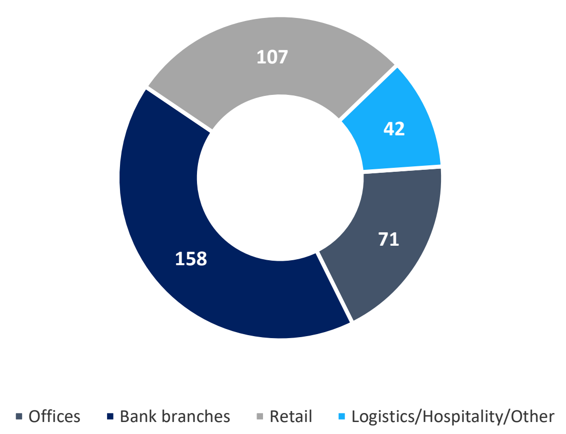



**Exhibit F.58.** By geography

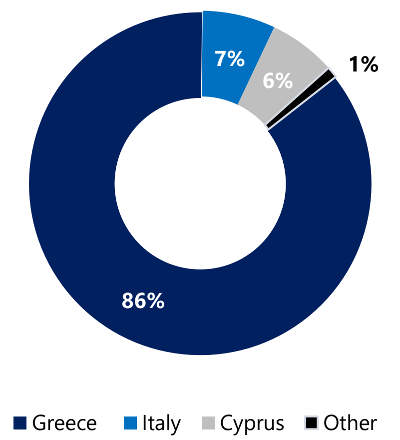



**Exhibit F.59.** By rental income

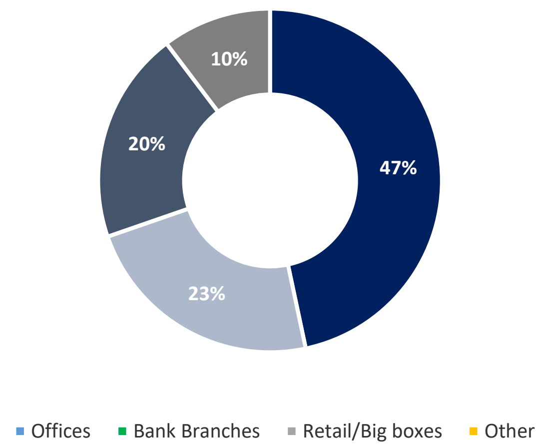
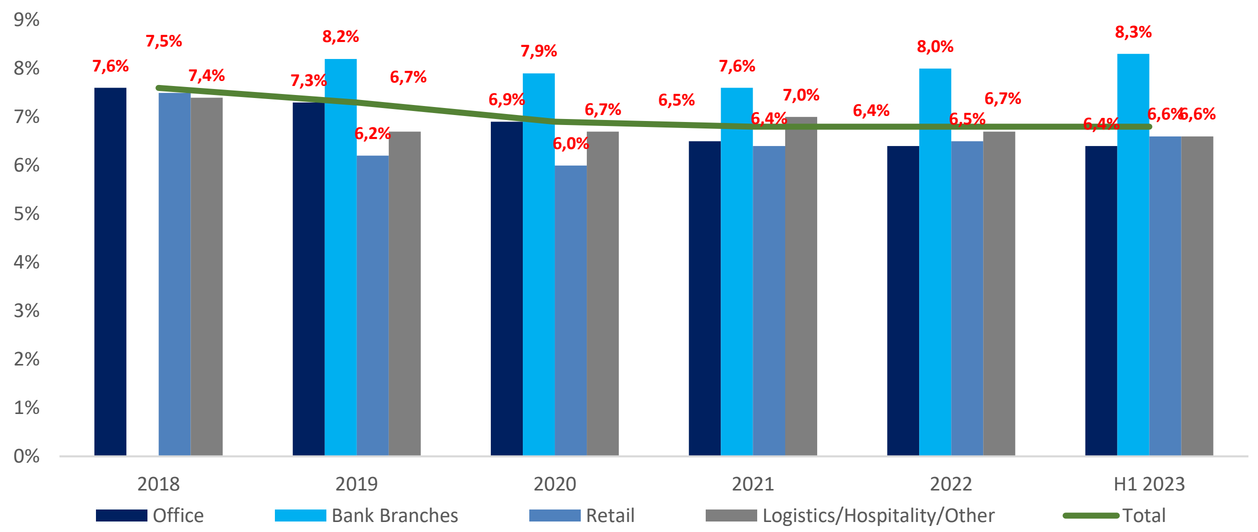
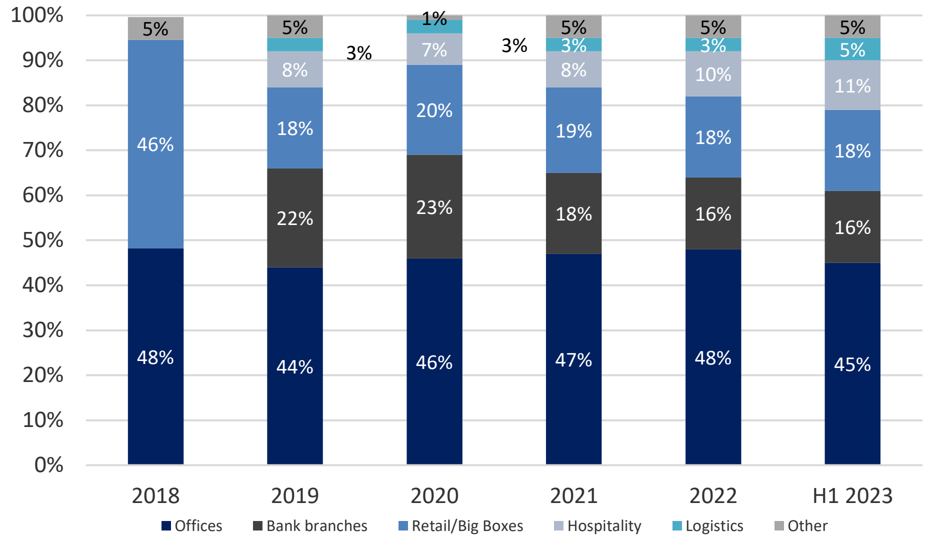



**Exhibit F.60.** Gross yield evolution




Source for all graphs: AF Research, Company

**Exhibit F.61.** Historic evolution of portfolio

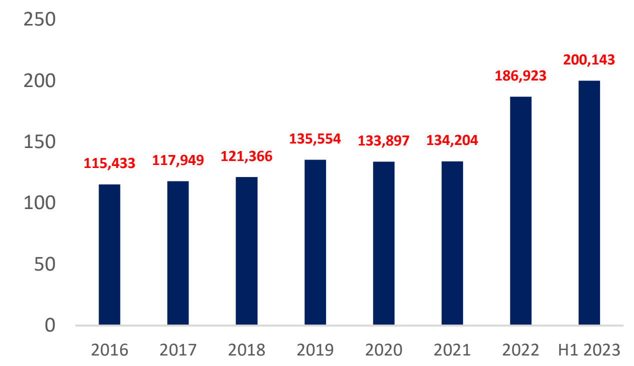



Source: AF Research, Company

93.4% total occupancy with a WAULT of 11.3, PRODEA's total gross yield for the portfolio amounts to 6.8%

# Key financial metrics

**Exhibit F.62.** Revenue evolution




*H1 2023 includes: (last 12-month period & 6-month period)*

**Exhibit F.63.** EBITDA evolution

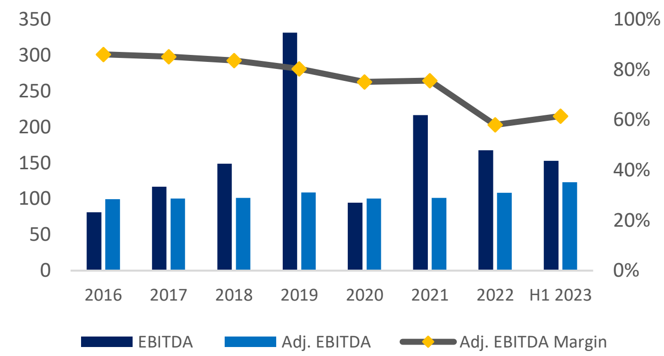



**Exhibit F.64.** Debt & LTV evolution

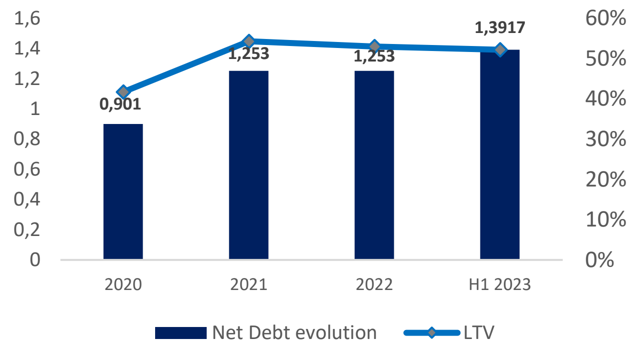
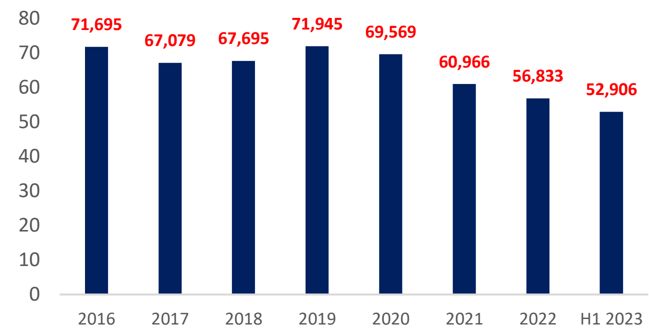



**Exhibit F.65.** FFO evolution




*H1 2023 includes: (last 12-month period & 6-month period)*

**Exhibit F.66.** NAV evolution

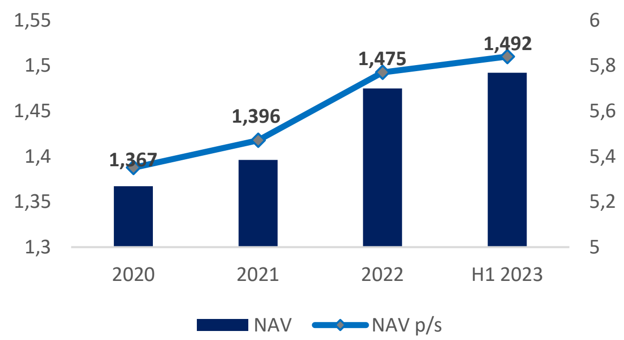



**Exhibit F.67.** Total shareholders' return per share

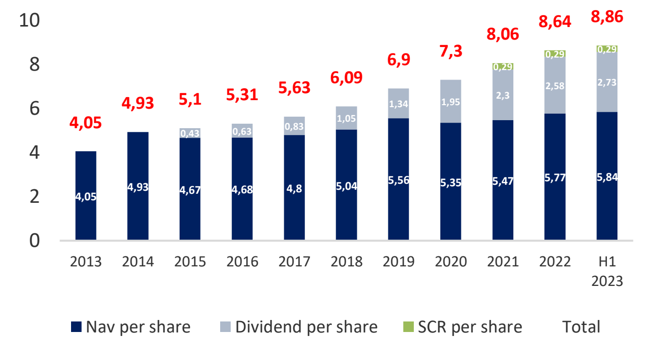



**Exhibit F.68.** Debt split by category

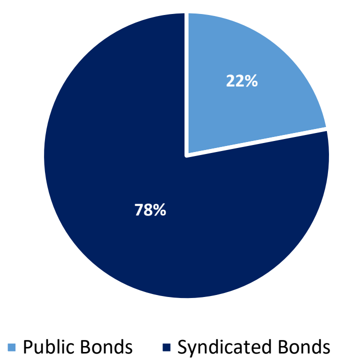
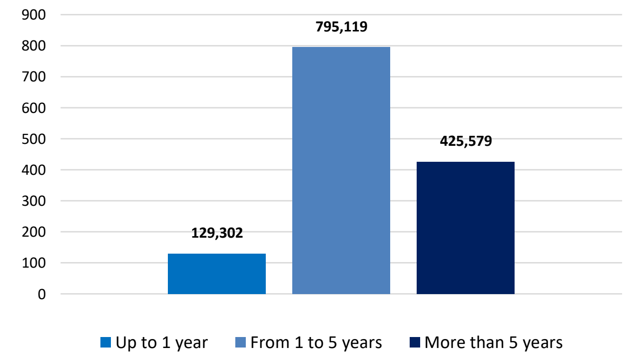



**Exhibit F.69.** Debt maturity schedule




Source for all graphs: AF Research, Company

## Brief history and key recent developments

### Brief history – Key milestones

| | |
|---|---|
| 2010 | NGB founded Pangea as its real estate subsidairy and fully controlled REIC |
| 2013 | Invel acquired 66% stake |
| 2015 | Reverse merger to MIG Real Estate becoming a listed REIC with minimal free float |
| 2014 | Issuance of a c.€237mn bond loan |
| 2019 | Invel excersises call option and acquires NBG's remaining stake per shareholder agreement / Re-branded to PRODEA Inestments |
| 2021 | Issuance of a 7yr €300mn Green Common Bond at 2.3% |

**Company description as of today**

PRODEA Investments is the leading real estate investment company in Greece, listed on the Athens Stock Exchange. It has a portfolio of 378 commercial properties, primarily office, hospitality, retail, logistics, and residential. With a focus on prime urban areas in Greece, Cyprus, and other key markets in Southeast Europe, PRODEA Investments maintains a high-quality and diversified portfolio with predictable cash flows driven by high occupancy levels, long-term leases, and a strong tenant base. The company has a strong team of experienced professionals enabling them to internally manage the majority of the projects implemented.

**Strategy**

The company's main strategy involves changing the composition of the portfolio, with a focus on sustainable real estate, logistics, hospitality (particularly luxury resorts), and selectively, the residential sector. The adoption of sustainability principles (ESG) is a key pillar of the Company's strategy, including reducing energy consumption and prioritizing the health and well-being of users. The Company develops properties or collaborates with developers to acquire properties that meet these specifications. It has participated in sustainability benchmarking and received awards for its non-financial performance. The company also aims to increase investments in the logistics sector and selectively invest in the hospitality sector, both through joint ventures and direct investments. Active asset management and value creation are pursued to maximize returns, including optimizing the portfolio composition, acquiring/developing modern buildings, and leasing vacant spaces.

**Pipeline for future investments**

The company has a pipeline of c.€500mn of which 86% are secured and 97% green certified. Of that 500mn 16% taps into the logistics sector while 39% and 35% are tied to office and hotel/residential sectors. The potential annualized rent evolution generated from secured projects begins at 4.2mn in the second half of 2023, reaching 22.5mn in annualized rents in the second half of 2026.

**Exhibit F.70.** Pipeline breakdown c.€500m of projects

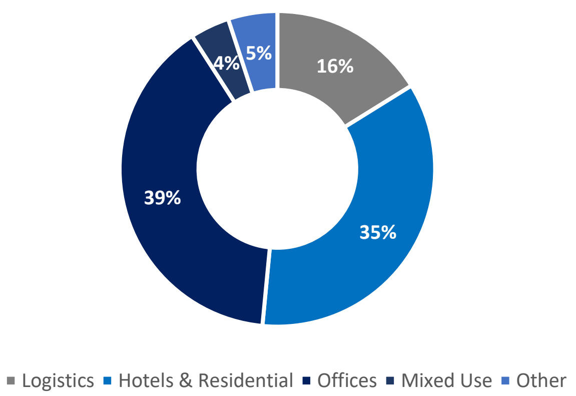
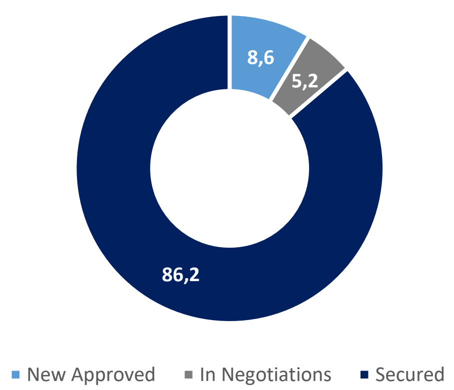



**Exhibit F.71.** Progress of pipeline



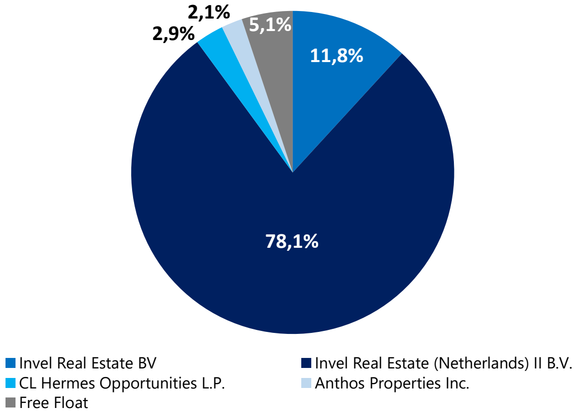

Source for all graphs: AF Research, Company

## Key recent developments

| Date | Event |
|---|---|
| April 18, 2022 | The Company acquired 80% of THRIASEUS S.A.'s share capital for €528. On May 31, 2022, THRIASEUS S.A. purchased 17 plots of land in Aspropyrgos, Attica, totaling 111 thousand sq.m, for €5,856mn (excluding acquisition costs), with a fair value of €7,784mn, to develop a Logistics Center. |
| June 22, 2022 | The Company acquired 100% of the shares and units of five Greek companies that own nine residential plots of land and a fully leased residential building. The acquisition cost amounted to €16,291, considering the properties' value of €17,250 and their fair value of €18,177. The acquired companies will be used to develop residential properties for sale and lease, including four plots for sale and five plots for lease with a fully leased residential building. |
| December 20, 2022 | The Company acquired a fully leased office property in Marousi, Attica, with an area of around 20,000 sq.m. The acquisition cost was €31,500, while its fair value was €32,591. |
| December 23 2022 | The Company purchased 49% of V TOURISM S.A., increasing its share capital by €6,850. Additionally, V TOURISM acquired three land plots in Milos for the development of the White Coast hotel, with an acquisition cost of €14,846 and a fair value of €21,400. |
| December 30, 2022 | The Company acquired the remaining 65% of shares in IQ HUB S.M.S.A., becoming the sole owner. The acquisition cost was based on IQ HUB's net asset value and amounted to €9,989, considering the investment property's value of €42,241 and a fair value of €44,868. |
| October 05, 2023 | INVEL RE HOLDINGS (CYPRUS) LIMITED acquired 100% of the voting shares in INVEL REAL ESTATE PARTNERS GREECE SAS, indirectly giving it control of 87% of shares and voting rights in the Company. Mr. Christophoros Papachristophorou controls INVEL RE HOLDINGS (CYPRUS) LIMITED, which took control of INVEL REAL ESTATE PARTNERS GREECE SAS. This chain of control also involves several other entities holding various percentages of shares and voting rights in the Company. Additionally, CASTLELAKE OPPORTUNITIES PARTNERS, LLC and its affiliates no longer have any voting rights in the Company as of October 5, 2023, and CASTLELAKE OPPORTUNITIES PARTNERS, LLC is not controlled by any other entity or individual. |
| November 13, 2023 | The Company informed the investing public that by virtue of the decisions of its Board of Directors dated 26.06.2023 and 16.10.2023 it resolved upon the commencement of a process for the merger through absorption by the Company of its 100% subsidiaries «IQ HUB SINGLE MEMBER SOCIETE ANONYME», «PANTERRA REAL ESTATE DEVELOPMENT AND EXPLOITATION SOCIETE ANONYME» and «THETIS REAL ESTATE - COMMERCIAL SINGLE MEMBER SOCIETE ANONYME» (together the "Absorbed Entities"), which will take place in accordance with art. 6-21 and 30-38 of Law 4601/2019, and art. 1-5 of Law 2166/1993, each as currently applicable. |

## Shareholders structure, corporate government and management team

**Exhibit F.72.** Shareholders structure




Source for all graphs: AF Research, Company

**Exhibit F.73.** Corporate governance

**BoD** ▪ 2 female Members ▪ 4 Executive - 5 non-executive (out of which 3 independent)

**Investment Committee** ▪ 5 Members ▪ 4 BoD Members – 1 external member

**Audit Committee** ▪ 3 Independent BoD Members

**Procurement Committe** ▪ 2 Independent BoD Members - 1 non - independent BoD member

## Management Team

**Christophoros Papachristophorou** Executive Chairman of BoD & Chairman of the Investment Committee is the Founder and Managing Partner of Invel Real Estate, joined the BoD and the Investment Committee of Prodea Investments in 2013. He previously held the positions of Managing Director at Deutsche Bank, Global Head of RREEF Opportunistic Investments and Co-CEO of RREEF Alternatives (EMEA).

**Aristotelis Karytinos** assumed the position of the CEO and founded Prodea in 2010, after being a GM - Real Estate at National Bank of Greece Group for a 6-year tenure. Previously, he held senior positions within Eurobank EFG Group, including Head of Group Real Estate, Head of Mortgage Lending and CEO of Eurobank Properties REIC which was later renamed into GRIVALIA Properties REIC.

**Theresa Messari, General Manager, COO and CFO**, founded Prodea in 2010, after being a Director of Strategic Planning Support & Control of the Real Estate Sector at EFG Eurobank Ergasias. She was also a former CFO and IR Manager of Eurobank Properties REIC which was later renamed into GRIVALIA Properties REIC.

**Athanasios Karagiannis, CIO since Feb. 2020 & Member of the Investment Committee since 2019,** joined the BoD of Prodea in 2016. He was previously Head of Acquisitions Greece at Invel Real Estate for 6 years, while he also worked for RREEF, the private equity real estate arm of Deutsche Bank for 6 years.

# Trade Estates REIC
## (TRESTATESr.AT / TRESTATE GA)

**Equity Research** | Greece

**Real Estate Management** | Report

| | | | Trade Estates REIC |
|---|---|---|---|
| | | | Not Rated |
| Market cap. (€mn) | 209,3 | Share Price | € 1,74 |
| Shares outst. (mn) | 120,5 | Target Price | - |
| Bloomberg | TRESTATE GA | Total Return | - |
| Reuters | TRESTATESr.AT | | |

| **Valuation** | 2021a | 2022a |
|---|---|---|
| P/E | na | na |
| P/FFO | na | na |
| P/NAV | na | na |
| Dividend Yield (%) | na | na |
| RoE | 4% | 11% |
| RoIC | 5% | 21% |
| RoA | 3% | 7% |

| **BS data** (€mn) | 2021a | 2022a |
|---|---|---|
| Cash | 11 | 15 |
| Total Assets | 248 | 344 |
| Net Debt (ex. | -31 | -99 |
| GAV | 210 | 289 |
| NAV | 185 | 211 |
| LTV | 20,2% | 39,2% |

| **P&L data** (€mn) | 2021a | 2022a |
|---|---|---|
| Revenues | 7,0 | 20,8 |
| EBITDA | 8,9 | 27,9 |
| EBITDA Adjusted | 5,9 | 14,8 |
| EBIT | 8,9 | 27,7 |
| Net income | 7,8 | 24,0 |
| FFO | 4,9 | 9,9 |

Source: AF Research, Bloomberg LP, Refinitiv

### Fast growing, focus on retail parks and logistics

Trade Estates REIC is one of the biggest domestic REICS, having recently completed its IPO in the AthEx. Currently, it has a portfolio of 10 retail parks and 3 new generation logistics centers, while its immediate plans include the development of new generation retail parks and logistics centers to serve the retail omni-channel strategy. The GAV for the group stands at €457m (pro-forma including Smart Park acquisition) with secured development projects for the next four years.

### Specializing for success

The company aims at specializing into two categories, consisting of retail parks (89% of GAV) and logistics centers (11% of GAV). Geographically focused in Greece, it brings a dynamic and unique portfolio investment strategy, which differentiates it from the rest of the domestic REIC sector. The plan to focus on few big assets may lead to a leaner and cost-efficient structure, while long-term strategic relationships with several high-quality tenants secures high occupancy rates, greater predictability of cash flows and low risk on receivables.

### Trade Estates REIC – H1 2023 earnings release

The group recorded rental income of €10.8m (+24.6% y/y), while net profits amounted to €13.4m (+2.3% y/y). EBITDA amounted to €17.26m (+19.8% y/y) as adjusted EBITDA also saw increases from the prior year to €8.65m (+23.86% y/y). The group's GAV amounted to c. €329.9m vs €288.8m on June 30th, 2022 (+12.5% y/y), while its Net Asset Value (NAV) shaped €225m or €2.49 p/s, an increase of 14.8% y/y compared to June 30th, 2022. The property portfolio, including assets in Greece, Bulgaria, and Cyprus, demonstrated resilience, with tenant retail turnover showing significant growth.

Trade Estates has secured development projects for the next four years, aiming to increase their investment asset portfolio's value to €500 to 700m by 2027. As of June 30th, 2023, their real estate portfolio comprises twelve properties with a total gross leasable area of 291,557 sq.m. and one property under development valued at €329.9m. They also hold a 50% stake in three companies with a combined property value of €10.7m.

### Acquisition of Smart Park

On October 23rd, the Company announced that it has signed a Share Purchase Agreement to acquire all shares of the corporate entity that owns and manages the retail park "Smart Park" (Yialou SA). The agreed value of the property is €110mn, but after adjustments based on the latter's financial position as of August 31st, 2023, the final price will be set at €93mn. This is an important acquisition for Trade Estates as it will raise its GAV by ca 30% and it is in line with its strategy to expand on retail parks and logistics. Post acquisition the pro-forma GAV & NAV stood at €457m and €242m.

### Completion of IPO

On November 3rd, following a Public Offering, 28,169,015 new common registered shares of the Company were offered at a price of €1.92 per share. The total demand from investors in the Public Offering was 29,484,114 shares, amounting to €56,609,498.88. Furthermore, the private placement of 938,968 new common registered shares was fully covered by the existing shareholder, "AUTOHELLAS TOURIST AND TRADING S.A.".

The Group's NAV/share reached €2,00 (pro-forma) suggesting that it trades at 13.5% discount, based on latest available closing price (14/11).

## Trade Estates REIC

| Year End | 2021 | 2022 |
|---|---|---|
| | *act* | *act* |
| **Income Statement (€mn)** | | |
| Revenues | 7 | 21 |
| EBITDA | 9 | 28 |
| EBITDA Adjusted | 6 | 15 |
| Depreciation | 0,0 | -0,2 |
| EBIT | 9 | 28 |
| Net Financials | -1 | -3 |
| EBT | 8 | 25 |
| Taxes | 0 | -1 |
| Net Income | 8 | 24 |
| FFO | 5 | 10 |
| **Balance Sheet (€mn)** | | |
| Cash | 11 | 15 |
| Current Assets | 12 | 20 |
| Investment Property | 225 | 304 |
| Non Current Assets | 236 | 324 |
| Total Financial Assets | 0 | 9 |
| Total Assets | 248 | 344 |
| Current Liabilities | 35 | 6 |
| Non Current Liabilitie: | 28 | 128 |
| Debt | 40 | 111 |
| Net Debt (ex. leases) | -31 | -99 |
| NAV | 185 | 211 |
| **Cash Flow (€mn)** | | |
| CFO | 5 | 8 |
| Capex | 0 | -6 |
| WC Change | 0 | -2 |
| FCF | 5 | 2 |

### Company Description

Trade Estates REIC is a fast-growing real estate company, currently operating under Société Anonyme form. The company's portfolio focuses on logistics centers & retail park sectors. Income generating portfolio includes 10 retail parks (including smart park) and 3 logistics centers.

Source: AF Research, Bloomberg LP, Refinitiv

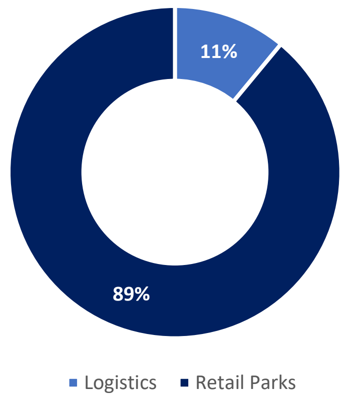
| Year End | 2021 | 2022 |
|---|---|---|
| | *act* | *act* |
| **Income Statement yoy (%)** | | |
| Revenues | na | na |
| EBITDA | na | na |
| EBITDA Adjusted | na | na |
| Depreciation | na | na |
| EBIT | na | na |
| Net Financials | na | na |
| EBT | na | na |
| Taxes | na | na |
| Net Income | na | na |
| FFO | na | na |
| **Margins (%)** | | |
| EBITDA Margin | 128% | 134% |
| EBITDA Margin Adjusted | 85% | 71% |
| EBIT Margin | 128% | 133% |
| Net Income Margin | 112% | 115% |
| **Leverage** | | |
| Net Debt / Equity | -0,3x | -0,6x |
| Net Debt / Capital | -0,2x | -0,4x |
| Net Debt / EBITDA | -6,5x | -4,6x |
| Interest Covered | 11,5x | 3,7x |
| **Performance (%)** | | |
| RoE | 4% | 11% |
| RoIC | 5% | 21% |
| RoA | 3% | 7% |
| **Valuation Metrics** | | |
| P/FFO | na | na |
| P/NAV | na | na |
| EV/EBITDA | na | na |
| FFO Yield (%) | na | na |

### Company Info

| | |
|---|---|
| Share Price | € 1,74 |
| Market Cap (mn) | € 209,3 |
| Ticker (Bloomberg) | TRESTATE GA |
| Ticker (Reuters) | TRESTATESr.AT |
| Sector | Real Estate Management |
| Auditor | EY |

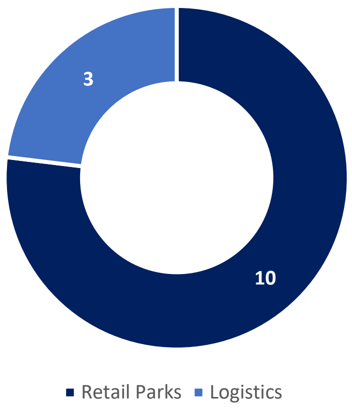
## Portfolio characteristics

**Exhibit F.74.** By gross assets value




Including acquisition of smart park

**Exhibit F.75.** By number of income producing properties




Including acquisition of Smart Park

**Exhibit F.76.** By geography (GAV)

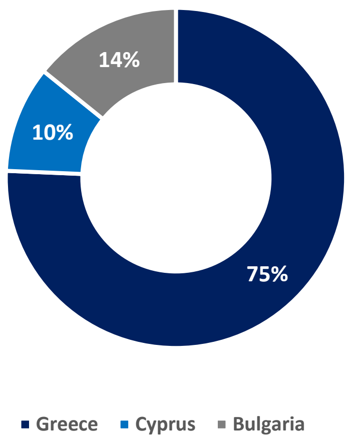



**Exhibit F.77.** By rental income contribution

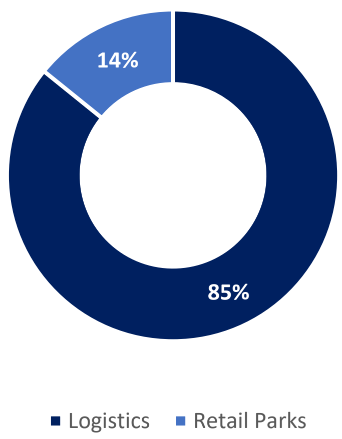



**Exhibit F.78.** Tenant mix – Occupancy rate 98%

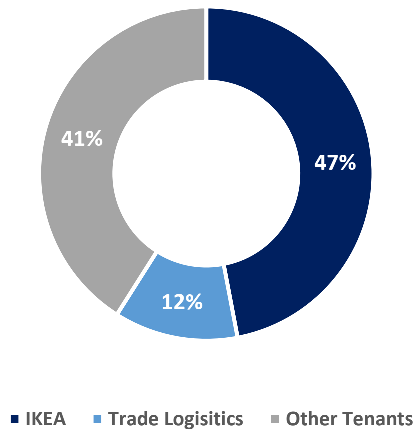
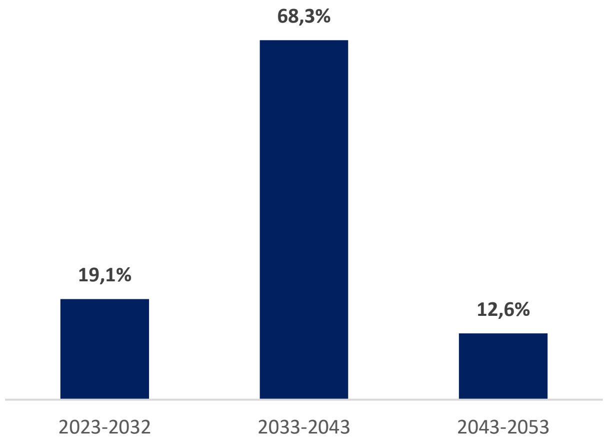



**Exhibit F.79.** Lease profile – WAULT at 12.2yrs




Source for all graphs: AF Research, Company

## Key financial metrics

**Exhibit F.80.** Rental income evolution

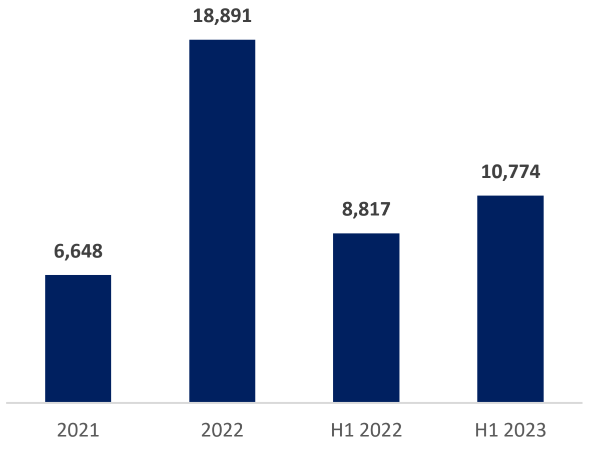



**Exhibit F.81.** EBITDA evolution

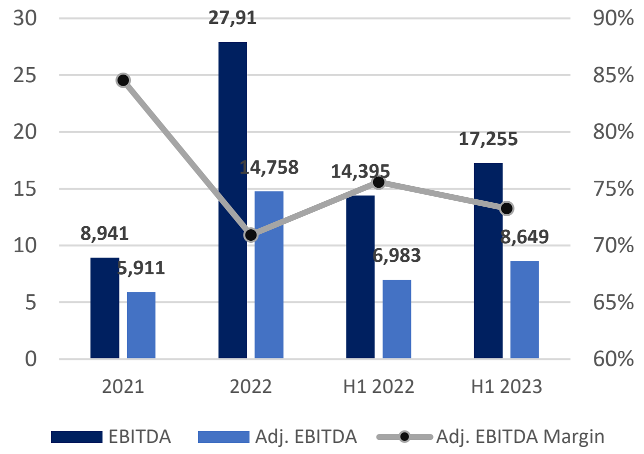



**Exhibit F.82.** FFO evolution

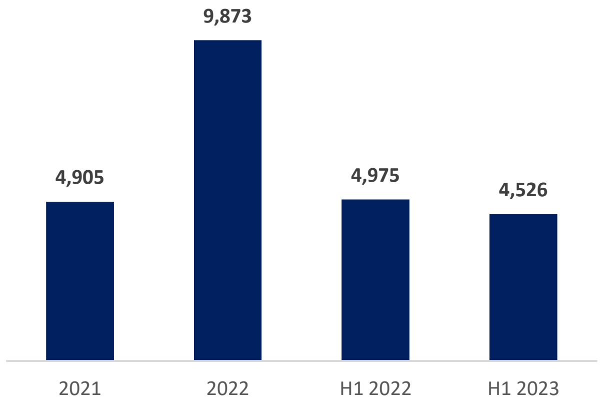



**Exhibit F.83.** GAV evolution

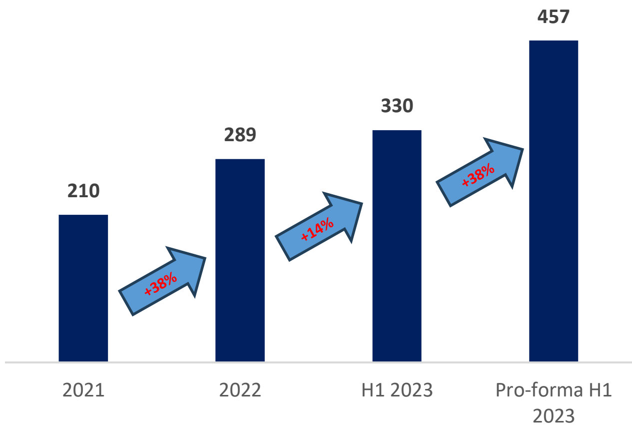



**Exhibit F.84.** NAV evolution

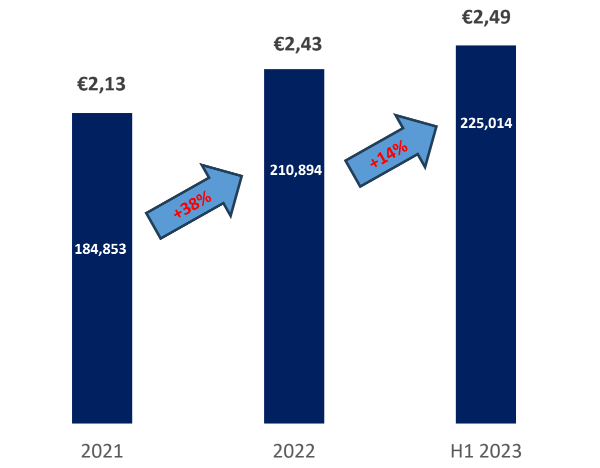
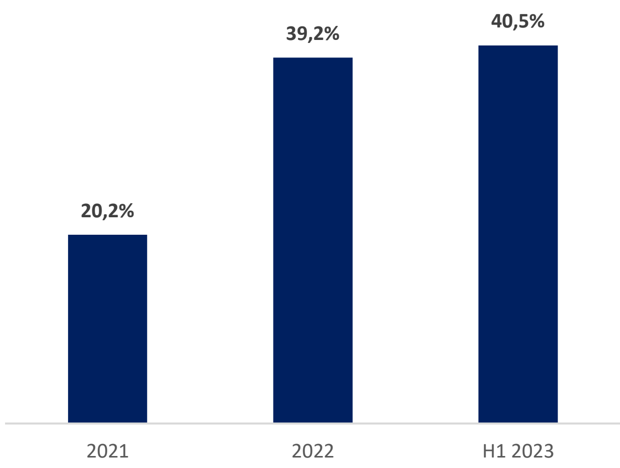



**Exhibit F.85.** LTV evolution




Source for all graphs: AF Research, Company

## Brief history & key recent developments

**One of the biggest domestic REICs**

Trade Estates REIC is one of the biggest real estate investment companies in Greece. The company recently completed its IPO in the Athens Exchange by successfully raising € 56mn (net of expenses) through the issuance of 29mn new shares. Currently, it has a portfolio of 10 commercial parks and 3 new generation logistics centers, heavily concentrated in Greece and small exposure in Bulgaria and Cyprus. The GAV for the group stands at €457m with secured development projects for the next four years, aiming to increase their investment asset portfolio's value between €500m to700m by 2027.

### Brief history – Key milestones

| | |
|---|---|
| 2019 | Initial HCMC License Approval |
| 2021 | Revised HCMC License Approval<br>Establishment of Trade Estates REIC & Initial portfolio of 7 properties, Acquisition of Bersenco |
| 2022 | Participation of Autohellas in share capital, Acquisition of Ktimatodomi & Volyrenco |
| 2023 | Acquisition of residential land plot & development in Ioannina Retail Park, Retail Park Larissa, 50% remaining shares of Polikenco SA, Autohellas SCI<br>Latsco Hellenic Holdings Sarl acquires 4.2% stake in Trade Estates |

**Strategy**

The Company's main strategy involves focusing on investing in retail parks and omni-channel logistics operating in Greece, Bulgaria, and Cyprus. Management is of the view that retail parks, particularly convenience retail parks, are on the rise globally due to consumers' time constraints and the ongoing demand for safe and convenient shopping post-Covid-19. The company focuses on large retail assets and e-commerce infrastructure, aiming to build a high-quality, high-yield portfolio through property acquisitions and development. In the logistics sector, the expansion of e-commerce has fueled rapid growth, with ongoing expectations for growth as consumer confidence continues to rise.

**Pipeline for future investments**

The company has a pipeline of c.€180m of which 89% are secured/under development and 11% optimization projects. Of the assets that are under development 72% are retail parks and 28% logistics centers. With the additions of the projects included in the pipeline a projected increase in GAV amounting to c. €193.5m will bring the Group's overall GAV to > €500m in 2027.

**Exhibit F.86.** Signed pipeline breakdown c.€180m

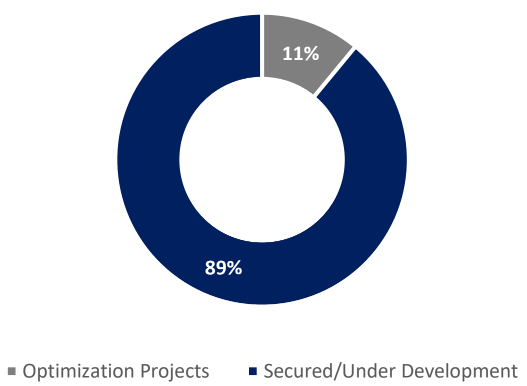
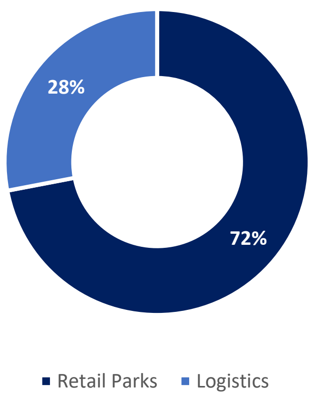



**Exhibit F.87.** Secured/Underdevelopment c.€160m




Source: AF Research, Company

**A growing portfolio with long term potential…**

As the group continues to grow its portfolio, the below matrix shows a glimpse of the current standing with revaluations on GAV being from June 2023. A total GAV of c €330m (291.6k sqm GLA) comes from 3 logistics centers and 10 retail parks, of which 1 is still being considered under development (Patra), but accounts for c €9m in GAV due to its land plots accounting for a small portion of revenue. The occupancy rate stands at 98.2%, the WAULT at 12.2 yrs and the current rental yield at 7.0% (excluding asset in Patra). Assets are currently leased by 32 tenants (47 leases). Moreover, ca 70% of the rental agreements have an additional potential upside on revenues due to turnover rent mechanism.

**Exhibit F.88.** Current Portfolio (not including Smart Park acquisition)

| Retail Parks | | | | | |
|---|---|---|---|---|---|
| **Property** | **GAV €mn** | **Location** | **Annualized Rent €mn** | **Rental Yield** | **GLA (sq.m)** |
| IKEA Thessaloniki | 48.3 | Thessaloniki /Greece | 3.2 | 6.7% | 23.995 |
| Ioannina Retail Park | 20.3 | Ioannina / Greece | 1.8 | 8.7% | 31.360 |
| IKEA Nicossia | 33.7 | Nicossia / Cyprus | 2.6 | 7.6% | 40.886 |
| IKEA Sofia | 47.4 | Sofia / Bulgaria | 3.6 | 7.5% | 20.320 |
| Retail Park Rentis | 14.4 | Rentis / Greece | 0.7 | 5.2% | 6.464 |
| Florida 1 Retail Park | 58.2 | Thessaloniki /Greece | 4.1 | 7.1% | 31.407 |
| Piraeus Retail Park | 31.7 | Piraeus / Greece | 2.1 | 6.5% | 12.791 |
| Chalandri Retail Park | 9.1 | Chalandri / Greece | 0.6 | 6.7% | 4.016 |
| Larissa Retail Park | 10.7 | Larissa / Greece | 0.7 | 6.9% | 27.450 |
| Retail Park Patra | 9 | Patra / Greece | Under Development | Under Development | Under Development |
| **Logistics** | | | | | |
| **Property** | **GAV €mn** | **Location** | **Annualized Rent €mn** | **Rental Yield** | **GLA (sq.m)** |
| Logistics Center Oinofyta | 10.8 | Oinofyta / Greece | 0.7 | 6.9% | 30.238 |
| Logistics Center Schimatari | 28.3 | Schimatari / Greece | 2.1 | 7.4% | 46.578 |
| Logistics Center Elefsina | 8.3 | Elefsina / Greece | 0.3 | 3.0% | 15.962 |

Source: AF Research, Company

**Exhibit F.89.** Indicative pipeline (not including all projects)

| Retail Parks | | | | | |
|---|---|---|---|---|---|
| **Property** | **Expected Completion** | **Location** | **Total Cost €mn** | **Status** | **GLA (thousand sq.m)** |
| Retail Park Patra | Q4 2024 | Patra / Greece | 26.9 | Signed/Under Development | 17.1 |
| Retail Park Heraklion | Q4 2024 | Heraklion / Greece | 20.6 | Signed/Under Development | 13.2 |
| Retail Park Ellinikon | Q1 2027 | Ellinikon / Greece | 68 | Active MoU between Fourlis & Lamda | 30 |
| **Logistics** | | | | | |
| **Property** | **Expected Completion** | **Location** | **Total Cost €mn** | **Status** | **GLA (thousand sq.m)** |
| Logistics Center Elefsina | Q3 2025 | Elefsina / Greece | 45.1 | Signed | 56 |
| Logistics Center Aspropirgos | Q3 2026 | Aspropirgos / Greece | 15.1 | Asset Optimization Project | 21 |

Source: AF Research, Company

**Investment strategy - Specialization**

Management appears committed to an investment strategy that has specialization at its core. As opposed to most of the other domestic REICs which have more diversified portfolios, Trade estates focuses on two key sectors that management feels there is a strategic opportunity and know-how, although they are open to seek opportunities elsewhere. Geographically, the focus is mainly on Greece although further expansion in the regions that Trade Estates already has presence cannot be ruled out. Finally, their long-term strategic relationship with several high-quality tenants secures high occupancy rates, greater predictability of cash flows and low risk on receivables.

**Strategic partnerships with Autohellas & Latsco Family Office..**

On July 7, 2023, the EGM confirmed the decision made on May 24, 2023, to increase Trade Estate's share capital by €6,003,108.80 through a contribution in kind, resulting in the issuance of 3,751,943 new registered shares with voting rights. These shares were priced at €2.13222 each, with a nominal value of €1.60 per share. This capital increase, entirely covered by Autohellas, involved a significant real estate asset contribution. This included a land plot of 45,408.04 square meters and commercial buildings in the Business Park of Vamvakia, Elefsina. Autohellas now holds an 11.92% stake in the Company. This contribution enriches Trade Estate's property portfolio and paves the way for the development of a modern logistics center. The strategic partnership aims to enhance collaboration in areas like Mobility Services, Car Rentals, Commercial Vehicle Rentals, Car Sharing, Infrastructure Development, and Electric Vehicle Charging Services, promising substantial growth opportunities for both companies.

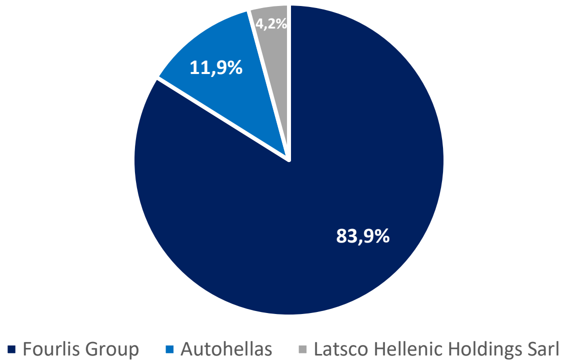
In addition, the Fourlis Group and Latsco Family Office have entered into a strategic partnership on September 21, 2023, with Latsco Hellenic Holdings Sarl acquiring 4.2% of Trade Estates REIC's share capital from TRADE LOGISTICS S.A., a subsidiary of Fourlis Group, for €8,000,000 in cash. Following the aforementioned transaction, Fourlis stake in Trade Estates stands at 83.9% (Exhibit D.9)

## Key recent developments

| Date | Event |
|---|---|
| May 29, 2023 | The Company acquired 100% shares of POLIKENCO SA, the company responsible for developing a new Retail Park in Patra. The project is currently under construction and is projected to be finished by Q4 2024. The upcoming Retail Park will boast a Gross Building Area (GBA) of 21,615 sq.m of which 17.1k sq.m is currently under construction for the total surface area of the retail park. |
| June 30, 2023 | Trade Estates REIC finalized the acquisition of a) the majority of horizontal property ownership of 246,610 sq.m and b) buildings with GLA of 30,359 sq.m. The properties are located in the region of Larissa. |
| June 30, 2023 | The Company acquired buildings in Ioannina with a land plot of 229,209 sq.m. including buildings with GLA of 16,768 sq.m. and a construction permit for additional GBA 31,000 sq.m./GLA 15,000 sq.m. |
| July 21, 2023 | Autohellas contributed its Logistics Center in Elefsina through a SCI in kind The asset consists of a land plot of 45,408 sq.m with a GBA of 16,655 sq.m and a GLA 15,000 sq.m. Autohellas now participates in Trade Estate's share capital by 11.92% |
| September 21, 2023 | Latsco family office acquired a 4.2% stake in Trade Estates REIC for a cash consideration of €8mn. Following the completion of the transaction. Latsco family office is responsible for the management of Mrs. Marianna J. Latsis and her family's investments in Greece and abroad, with a portfolio that includes a wide range of business activities (incl. shipping, energy, construction, etc). |
| October 10, 2023 | Trade Estates REIC has signed a Share Purchase Agreement to acquire all shares of the corporate entity that owns and manages the retail park Smart Park (Yialou SA). The agreed value of the property is €110mn, but after adjustments based on the latter's financial position as of August 31, 2023, the final price will be set at €93mn. This is an important acquisition for Trade Estates as it will raise its GAV by ca 30% and it is in line with its strategy to expand on retail parks and logistics. |
| November 3, 2023 | Following a Public Offering, 28,169,015 new common registered shares of the Company were offered at a price of €1.92 per share. The total demand from investors in the Public Offering was 29,484,114 shares, amounting to €56,609,498.88. The allocation details for different categories of investors will be disclosed on November 7, 2023. Furthermore, the private placement of 938,968 new common registered shares was fully covered by the existing shareholder, "AUTOHELLAS TOURIST AND TRADING S.A.". New shares will commence trading on November 8. |

## Shareholders structure & corporate governance

**Exhibit F.90.** Shareholders structure pre money




Source: AF Research, Company

**Exhibit F.91.** Corporate governance


## Management Team

### Vassilis Fourlis

Chairman of BoD & Member of the Investment Committee
Current Positions

- Chairman of the Board of Directors of Fourlis Holdings S.A.
- Vice President of the Board of Directors of Housemarket S.A.
- Member of the Board of Directors of Intersport Athletics S.A.
- Member of the Boards of Directors of the Hellenic Foundation for European & Foreign Policy (ELIAMEP) and the Hellenic Society of Environment and Culture.

### Dimitris Papoulis

CEO, Chairman of the Investment Committee
Experience

- CEO of South Sofia Ring Mall EOOD
- Regional Managing Director Starbucks Coffee and GAP Inc at Marinopoulos Group
- General Manager & Executive Board Member of Hatzioannou Holdings
- COO of FFG Platinum AE and Commercial Director of Fashion Box Hellas

### George Alevizos

Vice Chairman of the BoD, Member of the Investment Committee
Other Current Positions:

- Group Finance Director (Treasury, Investor Relations and Risk Management) of FOURLIS HOLDINGS SA
- Member of the BoD of HOUSEMARKET SA (IKEA)

# Trastor REIC

**(PREr.AT / TRASTOR GA)**

**Equity Research** | Greece

**Real Estate Management** | Report

## Committed to prime and sustainable growth

### Diversified with main focus on offices and logistics

Trastor REIC is the fourth largest REIC in Greece and one of the oldest REICs in the domestic market. The Company has a portfolio of 53 assets that span from offices, retail, logistics and mixed-use properties. The GAV amounts to €419.2mn, with plans in place to focus on increasing their portion of assets in the office and logistics center sectors of the market. As well, Trastor continues to keep sustainable improvements in their buildings a high priority, with future investments in place surrounding sustainability and green buildings.

### Strategic portfolio building

Trastor's strategy involves thorough property and market analysis at various levels to pinpoint deficiencies. They prioritize prime locations, undervalued assets, and a strong tenant base. The aim is for double-digit returns with prudent financial planning. There's a focus on expanding in the office and logistics sectors and creating energy-efficient properties. This approach remains consistent, with a plan to double logistics investments in three years. In 2023, the company entered modern office and logistics development for the first time. Future efforts will emphasize energy efficiency and upgrades for existing buildings to meet the demand for sustainable properties.

### H1 2023 performance

H1’23 earnings recorded increased revenues of 25.5% y/y, amounting to €12.6mn. Adjusted EBITDA increased 63.4% y/y amounting to €8.6mn, while net profit decreased 47% y/y amounting to €11.1mn, with its decrease related to the increase in ECB interest rates resulting in higher borrowing cost for the company. As of June 30, 2023, the company held 53 properties valued at €419.2mn, down from 57 properties valued at €392.3mn on December 31st, 2022. In H1’23, the company spent €9.6mn to acquire 100% ownership of a limited liability company owning a logistics property with a fair value of €20mn as of June 30th, 2023.

### Valuation, dividend yield

The Group’s NAV/share reached €1,548 from €1,401 on December 31, 2023 (+10.5%), suggesting that it trades at 28.4% discount, based on latest available closing price (14/11) albeit with the free float being extremely limited. A DPS of €0.03 p/s, yielding 2.1% as of 2022 was distributed.

| | | | Trastor |
|---|---|---|---|
| | | | Not Rated |
| Market cap. (€mn) | 169,1 | Share Price | € 1,11 |
| Shares outst. (mn) | 152,4 | Target Price | - |
| Bloomberg | TRASTOR GA | Total Return | - |
| Reuters | PREr.AT | | |

| **Valuation** | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| P/E | 57,1x | 11,4x | 50,6x | 6,8x | 4,6x |
| P/FFO | 268,1x | 43,9x | 23,5x | 13,6x | 11,4x |
| P/NAV | 1,9x | 1,3x | 1,0x | 0,9x | 0,7x |
| EV/EBITDA | 28,3x | 4,2x | 1,9x | 0,4x | -0,7x |
| EV/Adj. EBITDA | 94,9x | 17,8x | 2,5x | 1,0x | -2,0x |
| FFO Yield (%) | 0,5% | 1,8% | 2,2% | 3,5% | 3,5% |
| Dividend Yield * (%) | 0,0% | 0,0% | 0,9% | 1,7% | 2,1% |

* based on NAV

| **Per share** | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| EPS | 0,00 | 0,15 | 0,02 | 0,15 | 0,22 |
| FFO | 0,01 | 0,04 | 0,05 | 0,08 | 0,09 |
| NAV | 1,02 | 1,12 | 1,06 | 1,20 | 1,40 |
| NAV (excl. revaluation) | 0,98 | 0,99 | 1,05 | 1,09 | 1,23 |
| DPS | 0,00 | 0,00 | 0,01 | 0,02 | 0,03 |

| **BS data** (€mn) | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| Net Debt | -30 | -82 | -139 | -144 | -184 |
| Shareholders Equity | 40 | 55 | 75 | 75 | 76 |
| GAV | 113 | 201 | 302 | 325 | 392 |
| NAV | 83 | 122 | 159 | 181 | 212 |
| NAV (excl. revaluation) | 79 | 108 | 158 | 164 | 186 |
| LTV | 29% | 48% | 52% | 52% | 54% |
| Net LTV | 26% | 41% | 46% | 44% | 47% |

| **P&L data** (€mn) | 2018a | 2019a | 2020a | 2021a | 2022a |
|---|---|---|---|---|---|
| Rental Revenues | 5,6 | 9,6 | 13,1 | 18,1 | 21,7 |
| EBITDA | 4,5 | 17,8 | 8,8 | 29,5 | 41,1 |
| EBITDA Adjusted | 1,3 | 4,2 | 6,9 | 11,8 | 14,3 |
| EBIT | 4,4 | 17,6 | 8,6 | 29,3 | 40,9 |
| Net income | 2,7 | 13,8 | 3,1 | 23,0 | 33,9 |
| FFO | 0,6 | 3,6 | 6,6 | 11,5 | 13,7 |

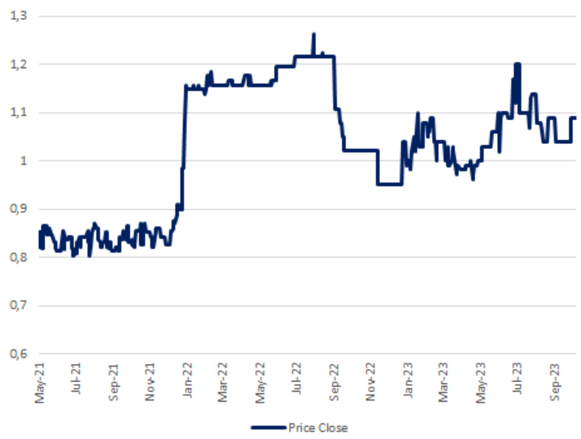
| **Performance** | 1m | 3m | 6m | 12m | YTD |
|---|---|---|---|---|---|
| Absolute | 7% | 4% | 8% | 6% | 13% |
| Relative | 1% | 7% | -2% | -31% | -20% |

Source: AF Research, Refinitiv, Bloomberg LP

## Trastor

| Year End | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| | act | act | act | act | act |
| **Income Statement (€mn)** | | | | | |
| Rental Revenues | 5,6 | 9,6 | 13,1 | 18,1 | 21,7 |
| EBITDA | 4,5 | 17,8 | 8,8 | 29,5 | 41,1 |
| EBITDA Adjusted | 1,3 | 4,2 | 6,9 | 11,8 | 14,3 |
| Depreciation | 0,0 | -0,2 | -0,2 | -0,2 | -0,2 |
| EBIT | 4,4 | 17,6 | 8,6 | 29,3 | 40,9 |
| Net Financials | -1,0 | -3,2 | -5,2 | -5,9 | -6,4 |
| EBT | 3,5 | 14,4 | 3,4 | 23,4 | 34,5 |
| Taxes | -0,8 | -0,6 | -0,3 | -0,3 | -0,6 |
| Net Income | 2,7 | 13,8 | 3,1 | 23,0 | 33,9 |
| FFO | 0,6 | 3,6 | 6,6 | 11,5 | 13,7 |
| **Balance Sheet (€mn)** | | | | | |
| Cash | 3,6 | 13,4 | 17,6 | 23,9 | 26,6 |
| Current Assets | 3,9 | 14,9 | 23,8 | 27,7 | 41,2 |
| Investment Property | 113,3 | 200,7 | 301,6 | 324,9 | 392,4 |
| Non Current Assets | 113,6 | 204,8 | 298,0 | 327,4 | 389,3 |
| Total Assets | 117,5 | 219,8 | 321,7 | 355,1 | 430,5 |
| Current Liabilities | 2,2 | 4,3 | 7,0 | 5,3 | 8,4 |
| Non Current Liabilities | 32,6 | 93,4 | 155,6 | 168,7 | 209,8 |
| Debt | 32,7 | 94,6 | 156,0 | 167,8 | 210,4 |
| Net Debt | 29,6 | 81,9 | 139,3 | 144,1 | 184,3 |
| Shareholders Equity | 40,3 | 54,6 | 75,3 | 75,4 | 75,8 |
| **Cash Flow (€mn)** | | | | | |
| CFO | 0,6 | 0,0 | 4,8 | 3,1 | 2,9 |
| Capex | -0,1 | -0,1 | -1,8 | -1,0 | -5,9 |
| WC Change | 0,4 | -0,5 | 1,6 | -4,1 | -5,9 |
| FCF | 1 | 0 | 3 | 2 | -3 |
| **Per Share** | | | | | |
| EPS | 0,03 | 0,15 | 0,02 | 0,15 | 0,22 |
| FFO | 0,01 | 0,04 | 0,05 | 0,08 | 0,09 |
| NAV | 1,02 | 1,12 | 1,06 | 1,20 | 1,40 |
| NAV (excl. revaluation) | 0,98 | 0,99 | 1,05 | 1,09 | 1,23 |
| DPS | 0,00 | 0,00 | 0,01 | 0,02 | 0,03 |
| FCF | 0,00 | 0,00 | 0,02 | 0,01 | -0,02 |

**Graph**




Source: AF Research, Refinitiv, Bloomberg LP

| Year End | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| | act | act | act | act | act |
| **Income Statement yoy (%)** | | | | | |
| Rental Revenues | | 72% | 36% | 39% | 20% |
| EBITDA | | 297% | -51% | 236% | 39% |
| EBITDA Adjusted | | 213% | 66% | 71% | 21% |
| Depreciation | | 541% | 14% | 12% | -3% |
| EBIT | | 295% | -51% | 241% | 40% |
| Net Financials | | 233% | 63% | 14% | 8% |
| EBT | | 312% | -76% | 591% | 48% |
| Taxes | | -19% | -52% | 16% | 69% |
| Net Income | | 403% | -78% | 645% | 47% |
| FFO | | 511% | 86% | 73% | 19% |
| **Margins (%)** | | | | | |
| EBITDA Margin | 80% | 185% | 67% | 163% | 190% |
| EBITDA Margin Adjusted | 24% | 43% | 53% | 65% | 66% |
| EBIT Margin | 80% | 183% | 66% | 162% | 189% |
| Net Income Margin | 49% | 143% | 24% | 127% | 156% |
| **Margins (yoy change, bps)** | | | | | |
| EBITDA Margin Adjusted | | 1.947 | 961 | 1.223 | 65 |
| **Leverage** | | | | | |
| Net Debt / Equity | 0,7x | 1,5x | 1,8x | 1,9x | 2,4x |
| Net Debt / Capital | 0,4x | 0,6x | 0,6x | 0,7x | 0,7x |
| Net Debt / EBITDA | 6,6x | 4,6x | 15,9x | 4,9x | 4,5x |
| Interest Covered | -1,2x | -1,2x | -1,4x | -2,1x | -2,3x |
| **Performance (%)** | | | | | |
| RoE | 7% | 25% | 4% | 31% | 45% |
| RoIC | 4% | 10% | 1% | 10% | 13% |
| RoA | 2% | 6% | 1% | 6% | 8% |
| **Valuation Metrics** | | | | | |
| P/FFO | 268,1x | 43,9x | 23,5x | 13,6x | 11,4x |
| P/NAV | 1,9x | 1,3x | 1,0x | 0,9x | 0,7x |
| EV/EBITDA | 28,3x | 4,2x | 1,9x | 0,4x | -0,7x |
| FFO Yield (%) | 1% | 2% | 2% | 4% | 4% |
| Dividend Yield * (%) | 0,0% | 0,0% | 0,9% | 1,7% | 2,1% |

**What's Changed**

| | | | |
|---|---|---|---|
| Rating | Not Rated | From | |
| Risk | - | From | |
| Target Price | - | From | |
| Forward EPS | - | From | |

**Company Info**

| | |
|---|---|
| Share Price | € 1,11 |
| Market Cap (mn) | € 169 |
| Ticker (Bloomberg) | TRASTOR GA |
| Ticker (Reuters) | PREr.AT |
| Free Float | 2% |
| Sector | Real Estate Management |
| Auditor | Deloitte. |

**Company Description**

Trastor REIC is one of the largest diversified REICS in Greece, with 53 assets located in various parts of the country. The Company's portfolio consists of offices, logistics, retail and mixed use properties. Trastor REIC was established in 1999. In 2003 the Company was granted by the Hellenic Capital Markets Commission the first license to operate as a Real Estate Investment Company in Greece under L.2778/99 and in 2005 the Company's shares were listed on the Athens Stock Exchange.

## Portfolio characteristics

**Exhibit F.92.** By gross assets value

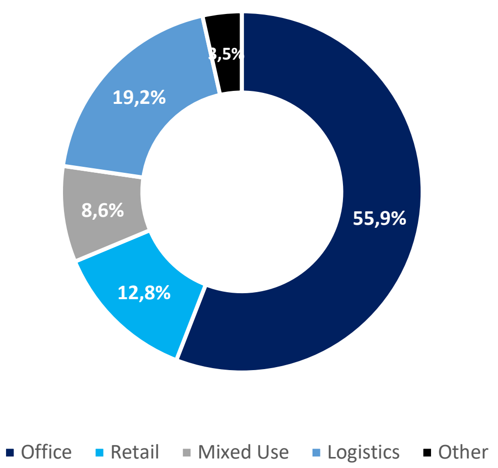



**Exhibit F.93.** By GAV evolution

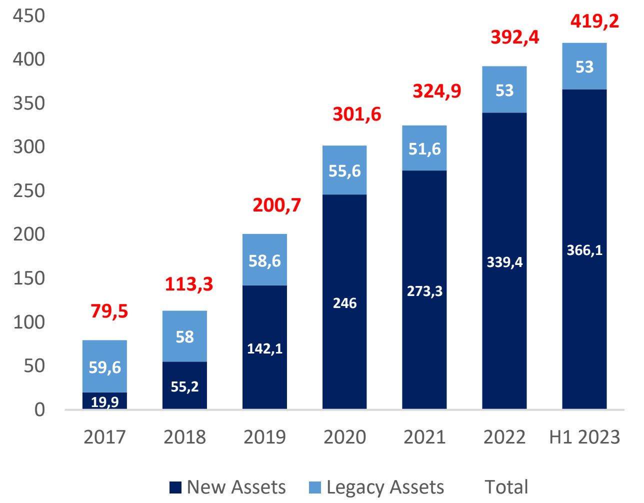



**Exhibit F.94.** By gross yield

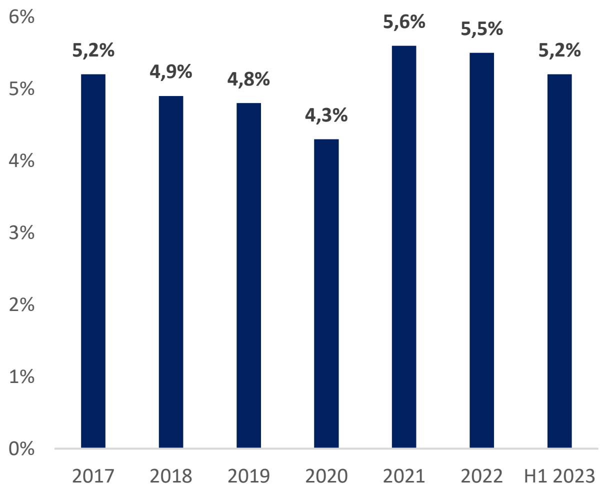



**Exhibit F.95.** By rental income contribution

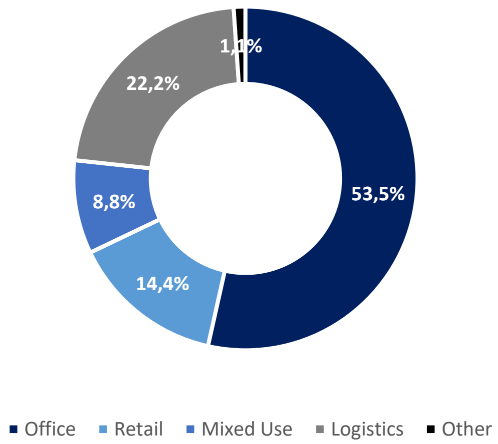



**Exhibit F.96.** By number of transactions

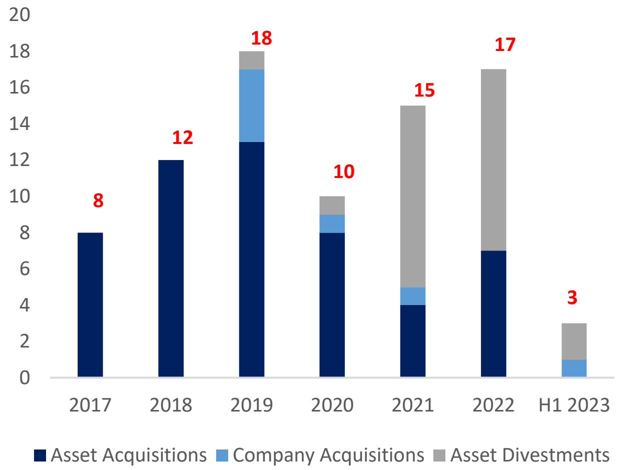
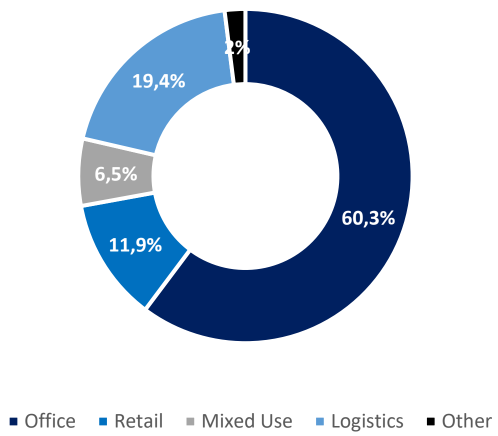



**Exhibit F.97.** Acquisitions per sector




Source for all graphs: AF Research, Company

## Key financial metrics

**Exhibit F.98.** Rental revenue evolution

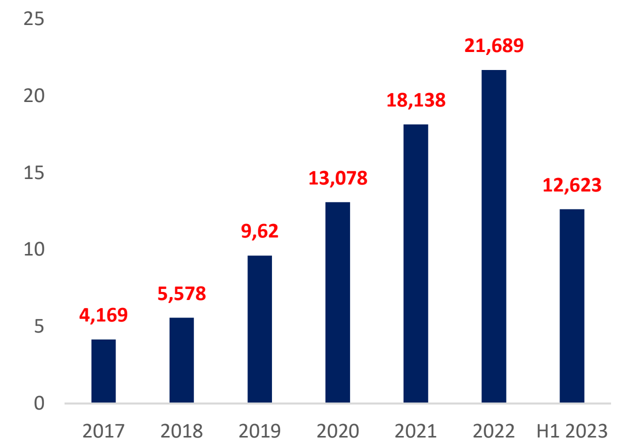



**Exhibit F.99.** EBITDA evolution

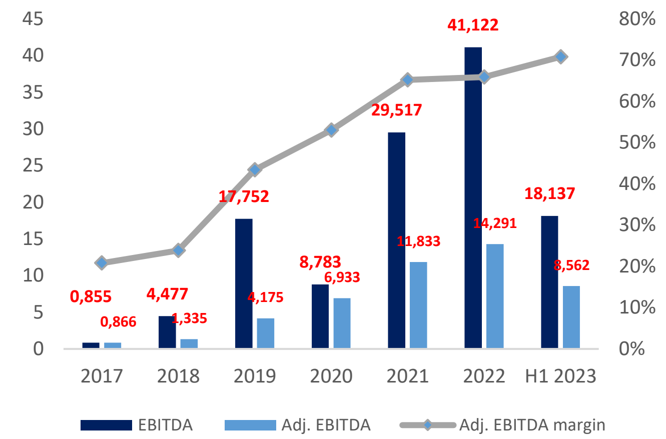



**Exhibit F.100.** NAV evolution

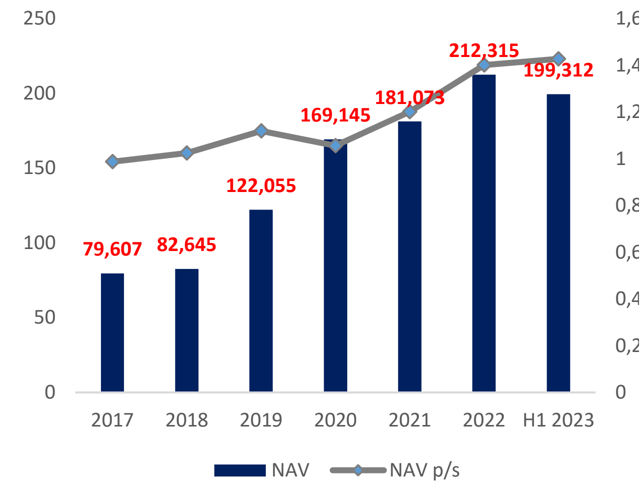



**Exhibit F.101.** FFO evolution

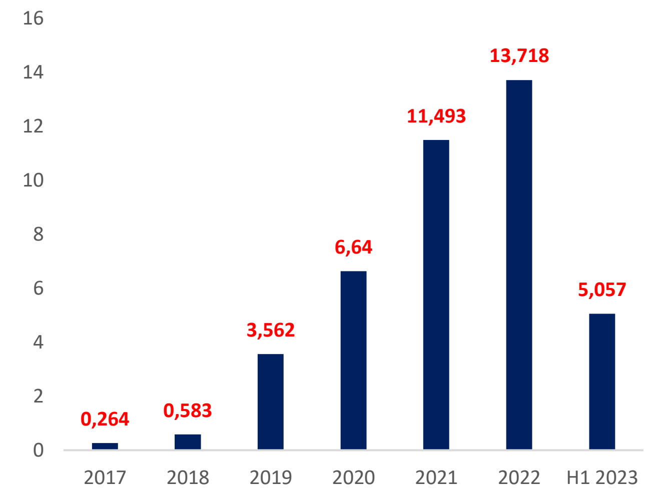



**Exhibit F.102.** Net Debt & LTV evolution

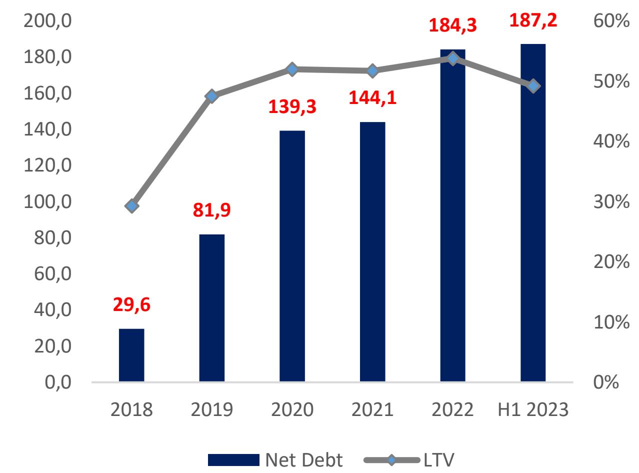
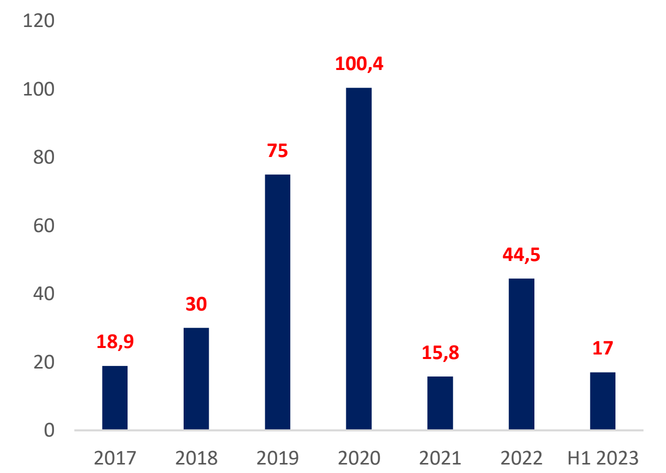



**Exhibit F.103.** Total investment evolution




Source for all graphs: AF Research, Company

## Brief history and key recent developments

**A pioneer in the domestic REIC sector**

Trastor REIC is the third largest REIC in Greece in terms of GAV with 53 assets under management. The company holds a well-managed diversified portfolio that consists of offices, retail, logistics, mixed use and other properties. Trastor has had a solid growth trajectory over the past 6 years with GAV growing x7.0, amounting to a fair value of €419.2mn. The company is one of the oldest REIC's in the domestic market, being the first to be listed on the Athens Stock Exchange in 2005. Over the years Trastor has undergone changes as it was originally founded by Piraeus Bank in 1999 under the name "Piraeus REIC", later being assumed by Pasal Development from 2008-2014 and then again assumed by Piraeus Bank in 2015.

### Brief history – Key milestones

| | |
|---|---|
| 1999 | Founded by Piraeus Bank under the name "Piraeus REIC" |
| 2003 | Granted a license to operate as a REIC by Hellenic Capital Market Commision |
| 2005 | First REIC to be listed on Athens Stock Exchange |
| 2008-2014 | Pasal Development assumed the management of TRASTOR |
| 2015 | Piraeus Bank assumes Company's Managemetn through a debt-to-equity swap and increasing its shareholding to 91.7% |
| 2017 | Completes a Rights' Issue, raising €20.2mn |
| 2019 | Completes a 2nd Rights' Issue raising €22.8mn & enhanced portfolio with 17 new acquisitions |
| 2020 | Completes a 3rd Rights' Issue raising €37.2mn & enhanced its portfolio with 9 new acquisitions |
| 2022 | Piraeus Bank increased its stake to 98.3% |

**Strategy**

The Company's main strategy involves a detailed analysis of property and market factors at both micro and macro levels to understand deficiencies. Trastor emphasizes selecting prime locations with excellent infrastructure and regional significance with the focus on identifying undervalued assets that exhibit strong rental growth and improving valuations, while also ensuring a solid tenant pipeline to minimize initial vacancy challenges. The goal is to target double-digit total returns regardless of the holding period. This is achieved by adopting conservative borrowing ratios and cautious estimates for exit values. Additionally, there is an intention to increase the weightage of office and logistics portfolios. Clustering assets is encouraged to facilitate tenant synergies and enhance pricing leverage. Lastly, the strategy prioritizes large asset transactions and substantial portfolios.

**Investment approach**

The investment approach is expected to remain consistent in the medium term and will particularly focus on increasing exposure in the logistics and office sectors, with a goal of doubling logistics sector investments over three years. In the first half of 2023, the Company ventured into developing modern office and logistics spaces for the first time. Looking ahead, it plans to prioritize investments in energy efficiency and operational upgrades for its existing buildings, capitalizing on the growing demand for 'green' properties.

**Exhibit F.104.** Sourcing of investments


Source: AF Research, Company

**Exhibit F.105.** Asset management approach

### Key portfolio characteristics

The below exhibit shows a few of the landmark assets the Group owns. The occupancy rate stands at 93.3%, the WAULT at 4.0 yrs and the current gross rental yield at 5.7%. Trastor focuses on top tier tenants when looking to lease their properties, with Avax, Seagull, Piraeus Bank, Synergy, Mytilineos being some of the many.

**Exhibit F.106.** Glimpse at current portfolio

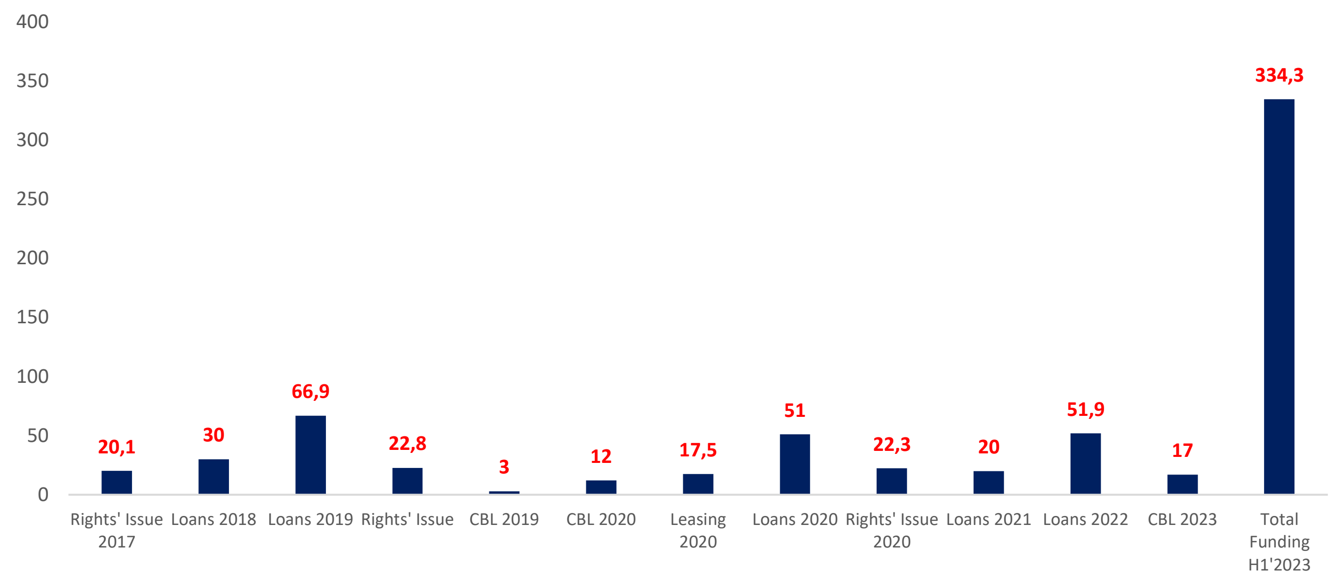
| Landmark Assets | | | | | |
|---|---|---|---|---|---|
| **Property** | **GAV €mn** | **Location** | **Type** | **Tenants** | **GLA (sq.m)** |
| AVAX HQ | 33.8 | Maroussi / Attica | Office | AVAX S.A. | 21.412 |
| Seagull HQ | 27.6 | Aspropyrgos / Attica | Logistics | Seagull | 32.092 |
| THE 80 | 34.2 | Athens CBD / Attica | Office | Multi Tenants | 14.957 |
| 94 Vasilissis Sofias Ave | 23.5 | Athens CBD / Attica | Office | Under Renovation | 5.330 |
| Pileas | 20.1 | Aspropyrgos / Attica | Logistics | Militzer & Munch / ΑΩ | 22.234 |

Source: AF Research, Company

### Capital structure & source of funding

Trastor has raised a total of €334.3mn in funds from 2017 - H1'2023. Total funding by H1'2023 was split into 29.1% equity and 70.9% debt. The below exhibit shows a timeline and types of funds sourced by the Company. Trastor REIC will be holding an Extraordinary General Meeting (EGM) on Friday, November 17th, with an item on the agenda being the provision of authorization to the BoD, for a rights' issue, in order to raise capital up to €75mn.

**Exhibit F.107.** Source of funds (€mn)




Source: AF Research, Company

## Key recent developments

| Date | Event |
|---|---|
| March 3, 2022 | The Company entered into a Common Bond Loan Issue Programme, which is implicitly secured by collateral agreements, primary disposal and transfers of bonds with a total nominal value of up to €250,000,000. Piraeus Bank S.A. was appointed as payment administrator and Optima Bank S.A. was appointed as representative of the Bondholders. The Bond Loan was fully covered by Piraeus Bank S.A. Part of the loan, i.e. an amount of up to €200,000,000 will be used to fully repay existing bank loans and the remaining €50,000,000 will finance the implementation of the Company's investment plan |
| March 8, 2022 | The Company, following the signing of the binding preliminary agreement of 12.11.2021 for the acquisition of all (100%) of the shares of the company named "PILEAS KITIMATIKI-COMMERCIAL ANONYMOUS COMPANY", announces the signing of the definitive agreement for their acquisition. This company owns a parcel of land with a total surface area of 44,991 sq.m., in Aspropyrgos, Attica, on which a new, highly energy-efficient storage and distribution centre complex has been built, with a total surface area of 22,234 sq.m. The warehouse complex is to be certified according to the LEED system and will be the first storage and distribution centre in Greece with similar construction standards of environmental sustainability. The total purchase price for the acquisition is equal to the NAV of the acquired company at the completion of the transaction and amounted to €9.65 million. |
| June 8, 2022 | The Company was awarded through a free sale procedure in accordance with the provisions of the Civil Code, an independent office building with a total area 16,795 sq.m located at the junction of 18-20, Sorou and Amarousiou-Chalandriou Str. in Maroussi, Attica. The price for the acquisition amounted to €27,050,000. |
| July 7, 2022 | The Company acquired two independent commercial warehouses, with a total area of 17,708 sq.m., located in the Municipality of Aspropyrgos, Attica. The total consideration for the acquisition of the properties amounted to € 12,950,000 and they are fully leased to multinational companies. |
| January 13, 2023 | The EGM decided the issuance of a Convertible Bond Loan ("CBL"), in accordance with the provisions of Law no. 4548/2018, as amended, in the amount of up to €55,000,000, by issuing mandatory convertible bonds (into common shares with voting rights), which will not be admitted to trading in a regulated market, will be issued in individual issues / series, within the availability period, and which will be made available through a private placement. |
| July 21, 2023 | Trastor's cold storage logistics complex in Aspropyrgos, has achieved LEED SILVER certification, making it the first "green" logistics center in Greece. This certification reflects their commitment to sustainable investment strategies and their goal to create a modern, energy-efficient, and diverse logistics portfolio in Attica. |
| October 20, 2023 | Trastor REIC will be holding an Extraordinary General Meeting (EGM) on Friday, November 17th, with the most important item on the agenda being the provision of authorization to the BoD, for a rights' issue in order to raise capital up to €75mn. |

## Shareholders structure & corporate governance

**Exhibit F.108.** Shareholders structure

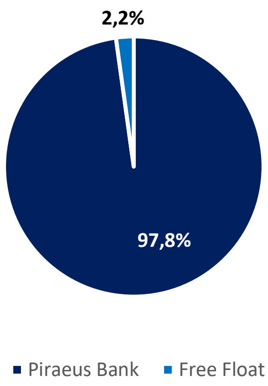



**Exhibit F.109.** Corporate governance


Source: AF Research, Company

## Management Team

### Tassos Kazinos

CEO, Vice Chairman of BoD & Chairman of the Investment Committee

Experience

- More than 25 years of professional experience in the UK, USA, and Greece
- Worked for Piraeus Bank, Bain & Co, Argo Capital Management, and Arts Alliance
- Executive Board Member of the Albert Abela Corporation

### George Filopoulos

Investment Manager

Experience

- More than 20 years of professional experience
- Worked for Piraeus Bank, and Cushman Wakefield

### George Theodoropoulos

Portfolio & Asset Manager

Experience

- More than 17 years of professional experience
- Worked for Piraeus Bank, Marfin Group, and Virgin Group (UK)

### Dimitris Polychronopoulos

Head of Legal & Compliance Officer

Experience

- More than 23 years of professional experience
- Worked as head of Legal in companies in the telecoms, travel & tourism, and real estate sector

### Ioannis Letsios

Finance Manager

Experience

- More than 40 years of professional experience
- Worked as Finance Manager, Chief Accountant and Certified Auditor in numerous companies and held the position of Finance Manager in several subsidiaries of Piraeus Bank

## Appendix 1. REICs Glossary

| | |
|---|---|
| **Gross Asset Value (GAV)** | The Gross Asset Value (GAV) is the sum of value of property a company owns. Besides the net asset value, the GAV is a common KPI for property funds to measure the success of the fund. GAV may also include participations and right-of-use assets manager. GAV includes also right-of-use of operational asset & participation. |
| **Funds from Operations (FFO)** | The most commonly accepted and reported measure of REIT operating performance. Equal to a REIT's net income, excluding gains or losses from sales of property, and adding back real estate depreciation. |
| **Adjusted Funds from Operations (AFFO)** | This term refers to a computation made by analysts and investors to measure a real estate company's cash flow generated by operations. AFFO is usually calculated by subtracting from Funds from Operations (FFO) both (1) normalized recurring expenditures that are capitalized by the REIT and then amortized, but which are necessary to maintain a REIT's properties and its revenue stream (e.g., new carpeting and drapes in apartment units, leasing expenses and tenant improvement allowances) and (2) "straight-lining" of rents. This calculation also is called Cash Available for Distribution (CAD) or Funds Available for Distribution (FAD). |
| **Net Asset Value (NAV)** | The net "market value" of all a company's assets, including but not limited to its properties, after subtracting all its liabilities and obligations. |
| **Real Estate Investment Trust (REIT)** | A REIT is a company dedicated to owning and developing, and in most cases, operating income-producing real estate, such as apartments, shopping centers, offices, developing and warehouses. Some REITs also engage in financing real estate. |
| **Weighted Average Unexpired Lease Term (WAULT)** | WAULT is an abbreviation of weighted average unexpired lease term. It is used by property companies as an indicator of the average remaining life of the leases within their portfolios. |
| **Gross Leasable Area (GLA)** | Gross Leasable Area is a measure used in the real estate industry to indicate the amount of floor space within a property that can be rented out for income. It is generally expressed in square meters. |
| **Gross Floor Area (GFA)** | Gross Floor Area (GFA) is a metric used within the real estate industry to indicate the total amount of space available within a building development including walls, corridors and columns. In the context of REITs and real estate investments, a more telling indicator would be Gross Leasable Area (GLA) which indicates the total amount of floor space that is generating operating income for the building. |

Source: AF Research, Various REIT-related web sites

ALPHA FINANCE

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Member of the Cyprus Stock Exchange
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45 Panepistimiou Street, GR- 105 64 Athens, Greece
TEL.: +30 210 367 7400, FAX: +30 210 331 1193
www.alphafinance.gr
reception@alphafinance.gr

## Disclosure Appendix

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**Alpha Finance Investment Services Single Member S.A. acts as a market maker on the stock futures of the following companies/indices (Total: 30)**
FTSE Athex Large Cap Index stock futures & options, Alpha Services & Holdings, Cenergy Holdings, Coca Cola HBC, Jumbo, Lamda Development, MIG, Viohalco, Autohellas, Admie Holding, Aegean Airlines, Fourlis, ElvalHalcor, Quest Holdings , HELLENiQ ENERGY, Gek Terna, PPC, National Bank, Ellaktor, Hellenic Exchanges, Athens Water, Intracom Holdings, Motor Oil, Mytilineos, Opap, Hellenic Telecom, Piraeus Financial Holdings, Terna Energy, Eurobank Services & Holdings, Titan Cement Intl, FTSE/ATHEX Large Cap.
**(Source: Athens Exchange, as of Thursday March 02, 2023)**

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Prodea REIC, Elval Halcor, Noval Property REIC
**(Source: Athens Exchange, as of Thursday March 02, 2023)**

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**AF Equity Research Ratings Distribution** as of : 15 Nov 23

| New Rating | AF Universe | IB Clients | AF Universe % | IB Clients % |
|---|---|---|---|---|
| Buy | 18 | 3 | 72 | 43% |
| Sell | 0 | 0 | 0 | 0% |
| Hold | 0 | 1 | 0 | 14% |
| Under Review | 5 | 2 | 20 | 29% |
| Not Rated | 1 | 1 | 4 | 14% |
| Restricted | 1 | 0 | 4 | 0% |
| **Total** | **25** | **7** | **100%** | **100%** |

**AF Equity Research Ratings Distribution** as of : 15 Nov 23

| Old Rating | AF Universe | IB Clients | AF Universe % | IB Clients % |
|---|---|---|---|---|
| Outperform | 18 | 3 | 72 | 43% |
| Underperform | 0 | 0 | 0 | 0% |
| Neutral | 0 | 1 | 0 | 14% |
| Under Review | 5 | 2 | 20 | 29% |
| Not Rated | 1 | 1 | 4 | 14% |
| Restricted | 1 | 0 | 4 | 0% |
| **Total** | **25** | **7** | **100%** | **100%** |

Investment Banking (IB) services provided over the past 12 month period
Source: Alpha Finance, Alpha Bank

**Important Note:** As of Feb. 01 2020, AF incorporates a new Proprietary rating system. A comparison ratings distribution is seen above

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The investment rating is based on the total expected return over a 12-month period, as described below.
Seven distinct categories are used: Buy / Sell / Neutral / Under Review / Not Rated / Restricted / Sponsored Research.
In several occasions, subject to qualitative factors, ESG criteria (Bloomberg & Reuters), analyst judgment based on macro/micro prospects, the investment rating applied may fall out of the brackets described in the definitions, outlined below:

**Definitions of Proprietary Risk Rating system terms**

| | |
|---|---|
| Total Return (TR) | Price appreciation + Dividend yield |
| Buy | The total return (TR) is expected to be >15% over the next 12-month period |
| Sell | The total return (TR) is expected to be <-15% over the next 12-month period |
| Hold | The total return is expected to be [-15%, +15%] over the next 12-month period |
| Under Review | The stock is under review |
| Not Rated | The stock is not rated |
| Restricted | The stock is restricted from rating |
| Sponsored Research | The stock is covered under sponsored research agreement |

**Proprietary Risk Rating**
The proprietary risk rating system incorporates liquidity-volatility-qualitative criteria, which categorizes a risk rating into three categories:
*High Risk, Medium Risk, Low Risk*
Liquidity criteria are based on tradability-Free Float data
Volatility criteria are based on 1yr volatility metrics updated twice a year
Qualitative criteria are based on analyst judgement which takes into account macro/micro prospects

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45 Panepistimiou Street, GR- 105 64 Athens, Greece
TEL.: +30 210 367 7400, FAX: +30 210 331 1193
www.alphafinance.gr
reception@alphafinance.gr

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| **TEL + 30 210 367 7545**<br>**research@alphafinance.gr** | **TEL + 30 210 367 7480**<br>**afsalestrading@alphafinance.gr** | **TEL +30 210 367 7424**<br>**market-making@alphafinance.gr** | **TEL + 30 210 367 7420 / 7440**<br>**privateclients@alphafinance.gr**<br><br>**TEL +30 210 367 7460**<br>**internationalmarketstrading@alphafinance.gr** |