

REDS Real Estate Development & Services Société Anonyme

For the information of the investment public, and in combination with the effects of the energy crisis, the war in Ukraine and the macroeconomic environment, REDS SA has provided some brief information below on the most significant financial figures for the period from 01.01.2023 to 31.03.2023.

REDS REAL ESTATE DEVELOPMENT & SERVICES

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SA Reg. No 13564/06/B/86/123 – DOSSIER NO 340340

General Commercial Registry No.: 224701000

1. Significant events and developments in the REDS Group ("Group") and the Company in the first quarter of 2023.

The Group's main activity for the first quarter of 2023 was the operation of the **"Smart Park"** Retail Park at Yialou in Spata, Attica.

The subsidiary company **YIALOU COMMERCIAL & TOURIST SA**, proceeded on 26.01.2023 with the conclusion of a secured bond loan with NATIONAL BANK OF GREECE S.A. amounting to €71.4m, for the refinancing of existing loans on more favorable terms and the financing of Group investment plans. The company has leased 99% of the commercially usable surface area of the "Smart Park" Shopping Centre in the property of Yialou, in Spata Attica, with a total area of approximately 53,000 sq.m.

In February 2023, REDS proceeded with the purchase of plots located around the retail park and in combination with the Group's properties it plans to develop complementary actions that will increase the traffic of the Retail Park and the area.

In the **Alimos Marina** development project, REDS is awaiting the issuance of a joint ministerial decision from the competent Ministries to proceed with the issuance of permits. The plan includes retail and F&B zones, a hotel, a pier, a pedestrian and bicycle path, a command and control tower for the marina, a parking lot of 850-1,000 spaces, among other things, in the Alimos marina. The whole development spans a land area of approximately 210,000 sq.m..

For the **Cambas Project** development at Kantza in the Municipality of Pallini, which has received urban planning approval by presidential decree as a designated area for 'Organised Development of Productive/Enterprise Activities' (POAPD area), the Business Plan has been updated and the procedures for the finalization of the Master Plan will follow. This will be followed by issuance of building permits within the next year so that construction work can commence, with a 3-year time horizon for completion.

In February 2023, the signing of the contract for the purchase and sale of the property of the former US military base in Gournes, Heraklion, Crete, was completed, which was awarded in December 2021 to REDS in the e-auction of Hellenic Republic Asset Development Fund (HRADF) for its purchase and development. For the realization of the purchase, a special purpose vehicle (SPV) was established by HRADF, which contributed (in kind) the property in question for the formation of its initial share capital. The transaction was completed with the purchase of the company's shares (SPV) by REDS.

The real estate property in **Gournes, Heraklion, Crete** is a coastal area of 345,567 sq.m. and is located 13 km from the Nikos Kazantzakis airport and 16 km from the city of Heraklion. As part of the commercial use of the property, REDS S.A. is expected to make investments for the development of a luxury hotel, residential buildings and a shopping centre among other works. A casino may also be developed in the property. At the same time, drawing up the Business Plan and the Master Plan is currently under way.

Finally, for the properties owned by the Group in **Romania**, on 05.04.2023 REDS SA completed the sale agreement for property "A" at Avalansei Avenue in Bucharest, Romania, a property owned by the subsidiary **PROFIT CONSTRUCT S.R.L.** The buyer of the property, with a total plot area of 7,974 sq.m., is VASTINT ROMANIA S.R.L. at a purchase price of €11.4m. In addition, a binding preliminary agreement (Pre-SPA) was signed with the same company for property "B", for which a deposit of €0.1m was paid.

On 18.05.2023, the sale agreement of property "B", of an area of 1,170 sq.m. at Tabacarilor Avenue, was completed for a price of €1.6m. in Bucharest, Romania.

The above sale with a total profit of €5.7m will be included in the results of the second quarter of 2023.

2. Overview of Quarterly Financial Results for the first quarter of 2023

The Group posted revenues of approximately €2.5m in the first quarter of 2023, compared to revenues of €2.1m. in the corresponding quarter of 2022. EBITDA for the period amounted to approximately €1.8m against €1.7m. in the first quarter of 2022 and EBIT for the current period at €1.3m, practically unchanged as in the corresponding period of 2022.

In the current period, the Group's revenues come exclusively from the lease of real estate of the subsidiary **YIALOU COMMERCIAL & TOURIST SA**.

There was a significant increase of 30% in the Park's footfall in the first quarter of 2023 compared to the corresponding quarter of 2022, while a y-o-y increase of 35% in stores' turnover was recorded in the first quarter of 2023, despite the adverse conditions in the economy due to inflationary pressures and the energy crisis.

The main financial figures for the first quarter of 2023, as well as the corresponding comparative figures of the previous year's period, are presented in the following tables:

Amounts in €

	GROUP		
	01.01 - 31.03.2023	01.01 - 31.03.2022	Change
Turnover	2,449,996	2,052,401	19.4 %
EBITDA	1,796,266	1,749,611	2.7 %
Operating results (EBIT)	1,342,725	1,317,511	1.9 %
Profit before taxes	451,937	922,653	(51.0 %)
Earnings after taxes	149,355	864,263	(82.7 %)

Alternative Performance Measures (APMs)

The Group uses Alternative Performance Measures in its decision-making processes relating to the assessment of its performance; such APMs are widely used in the segment in which it operates. Below follows an analysis of the key financial ratios and their calculation:

Efficiency ratios

Group EBITDA Ratio (EBITDA Margin %): Group consolidated operating result (EBITDA) before interest, tax, depreciation and amortization to Group Turnover .

	01.01 - 31.03.2023	01.01 - 31.03.2022	Explanation
Group EBITDA ratio	73.32%	85.25%	EBITDA/Turnover

Net Asset Value: The Group's equity adjusted for deferred tax liabilities and assets.

	31.03.2023	31.12.2022	Change
Net asset value of the Group	100,163,861	100,390,572	(0.2%)

Return on Equity (ROE): Earnings after tax to Group equity

	31.03.2023	31.03.2022	Explanation
Return on equity for the Group	0.15%	0.90 %	Profit (Loss) after tax/equity

Gearing Ratio: The ratio of net borrowings (i.e. Total short-term and long-term bank borrowings less Cash and cash equivalents and restricted cash) to Total Capital Employed (i.e. total Group equity plus Group Net borrowing).

The Group's net borrowings as of 31.03.2023 and 31.12.2022 are detailed in the following table:

	GROUP	
	31.03.2023	31.12.2022
Short-term borrowings	2,264,903	6,321,216
Long-term borrowings	67,081,109	24,142,416
Total borrowings	69,346,012	30,463,632
Less: Restricted cash	28,636,051	9,911,493
Less: Cash and cash equivalents	1,580,378	541,386
Net Borrowing	39,129,583	20,010,754
Total Equity	97,929,456	97,961,222
Total Capital Employed	137,059,039	117,971,975
Gearing Ratio	28.5%	17.0%

The gearing ratio (Net borrowing / Total Capital Employed) stood at 28,5% for 31.03.2023 compared to 17,0% on 31.12.2022.

Adjusted Net Borrowing / Value of Investment Portfolio (NET LTV): (Borrowings less cash and cash equivalents, restricted cash and financial instruments at fair value) over (Investments in real estate and tangible assets, investments in consortiums and related company investments and inventories).

	GROUP	
	31.03.2023	31.12.2022
Total borrowings	69,346,012	30,463,632
Less: Financial instruments at fair value	1,166,612	1,166,612
Less: Cash and cash equivalents/Restricted cash	30,216,429	10,452,879
Adjusted Net Borrowing	37,962,971	18,844,142
Investments in real estate/ property, plant and equipment/ investments in joint ventures plus inventories	165,741,121	124,006,879
Total Capital	203,704,092	142,851,021
NET LTV	18.6%	13.2%

The financial ratio Adjusted Net borrowing / Value of the investment portfolio for 31.03.2023 amounted to 18,6% compared to 13,2% on 31.12.2022.

Impact of the war in Ukraine and the energy crisis

The current Russia-Ukraine conflict has not had any impact on the Company's activity, as the Company has no real estate investments in these countries. However, the conflict has triggered an energy crisis which is contributing to a climate of uncertainty, a slowdown in economic growth and investment, and a significant impact from inflationary and interest rate pressures which are testing the international economic and business environment.

Regarding the impact of inflationary pressures observed in Greece and internationally, the Company's revenues from the SMART PARK retail park relate to rents that are linked to an annual adjustment clause based on the change in the CPI. Therefore, management considers that it is sufficiently shielded in terms of revenue.

Inflationary pressures, as mentioned, led central banks to raise base rates. The Company has entered into an interest rate hedging agreement with NBG, thus mitigating the negative impact from possible interest rate increases.

Regarding the significantly increased cost of energy, a cost mainly borne by tenants, the company has taken all necessary measures and has proceeded to best practices and partnerships with energy providers in order to support the uninterrupted operation of the retail park.

Finally, all Group properties are reflected in the cost of acquisition, having included margins for unforeseen risks, which creates certainty that any possible change in commercial values will not significantly affect the financial figures of the Company and the Group.

Kifissia, June 2023