

PRESS RELEASE

Athens, 24th April 2024

PRODEA INVESTMENTS

Increase of Rental income by 10.3% in 2023

PRODEA Investments announces that the group's rental income amounted to €165.2 million compared to €149.7 million in 2022 (an increase of 10.3%). This increase comes mainly as a result of the progress of development projects, new investments in income properties and new leases in the context of the company's investment strategy with the aim to optimize both the composition of the investment portfolio and the qualitative characteristics of the real estate properties, with sustainability principles as the main pillar of development.

Group turnover for the financial year 2022 amounted to €168.9 million, compared to €186.9 million. Turnover for the financial year 2022 includes €36.4 million of non-recurring income from the sale of property inventory.

Operating profit increased by 14.5% to €120.4 million in 2023, excluding property revaluation and non-recurring expenses, from €105.1 million in 2022.

Earnings before interest, taxes, depreciation and amortization, property revaluation and other non-recurring items (Adjusted EBITDA) amounted to €222.5 million in 2023 compared to €116.3 million in 2022. The calculation of Adjusted EBITDA also takes into account the Realized Gain on sale of investment properties, amounting to €98.8 million in 2023 and €7.8 million in 2022, as the Group's business activity includes not only the purchase and lease but also the sale of properties.

Profit for 2023 was materially impacted by increased finance costs (as a result of the increase in Euribor) and the increase in the REIC investment tax (due to its link to the European Central Bank benchmark rate).

In order to mitigate the impact of the increase in Euribor, the Group has entered into interest rate hedging contracts for an amount of €925 million. The current percentage of the Group's debt capital with fixed interest rate terms or for which interest rate hedging contracts have been entered into, amounts to 93.0%. In addition, the Group, in the context of optimizing its debt structure, has made amendments to debt facility agreements, achieving a reduction in its borrowing margins. The current weighted average margin of the Group's borrowings is 2.35%.

The fair value of assets under management² amounted to €2,717.3 million compared to €2,796.4 million on December 31, 2022. The change is due to the sales made by the Group during the financial year 2023.

¹ Realized Gain on sale of investment property is defined as the difference between the selling price and the cost of each property.

² The fair value of the properties of joint venture investments has been calculated based on Prodea Investments' participation percentage in each company.

The NAV of the Group as of December 31, 2023, amounted to €1,505.8 million or €5.89 per share compared to €1,475.2 million and €5.77 per share respectively as of December 31, 2022, an increase of 2.1%.

During 2023, the Group entered into sale agreements (directly or indirectly) for a total consideration of €274.3 million.

In 2023, the Group completed the acquisition of properties (directly or indirectly) of a total value of €45.5 million.

In early 2024, PRODEA Investments acquired a majority stake and control of MHV Mediterranean Hospitality Venture Plc ("MHV"), which is now the main investment vehicle for investments in hotel properties, for a cost of €254 million. This acquisition significantly strengthens PRODEA Investments' presence in the hospitality sector, contributing to a significant increase in the size of its hospitality real estate portfolio. By taking advantage of MHV's experience and expertise in the hotel sector and the synergies that will be created in its existing and future hotel units, PRODEA Investments aspires to make MHV the leading high-end hospitality company in Southern Europe.

In terms of portfolio composition, the company focuses on increasing investments in the logistics sector, a strategic sector for the development of our country, taking into account its key geographical location. The company's strategy is to acquire logistics of modern specifications, which are not readily available and require time to mature, which ranges between nine and twelve months. In this context, on April 4, 2024, the company THRIASEUS S.A. completed the acquisition of land in Aspropyrgos, Attica. These plots relate to the further expansion of the adjacent land which has already been acquired by THRIASEUS S.A. for the purpose of constructing a modern logistics center of approximately 100 thousand square meters, one of the largest in the country.

During financial year 2023, the economic environment remained highly volatile, with energy prices declining significantly, but with structural inflation, despite a gradual deceleration, remaining at high levels, maintaining upward pressure on lending rates. The main central banks estimate that there will be an interest rate decrease during 2024. The timing of the start and pace of this adjustment, however, will largely depend on the path of easing inflationary pressure. Management is closely monitoring and evaluating the situation in order to take the necessary measures and adjust its business plans (if required) to ensure business continuity and mitigate any negative impact.

The Annual Financial Report for the year ended on 31 December 2023 is available on the Company's website: www.prodea.gr.