

## **REDS Real Estate Development & Services Société Anonyme**

For the information of the investment public, REDS SA has provided the following summary information regarding the key financial figures for the period from 1 January 2023 to 30 September 2023.

### **REDS REAL ESTATE DEVELOPMENT & SERVICES SOCIÉTÉ ANONYME**

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TAX REG. NO.: 094007180 TAX OFFICE: ATHENS TAX OFFICE FOR COMMERCIAL COMPANIES

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## REDS Group Key Financial Figures for the first 9 months of 2023

### IN SUMMARY

- **Sales of €7.6 million** for 9M 2023, **up by 17% year-on-year.**
- **Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)<sup>1</sup> €9.6 million, an increase of 119%** compared to 9M 2022.
- **Pre-tax Profit (PTP) of €4.6 million**, compared to **€1.7 million** in 9M 2022, **an increase of +160%.**
- **Net Profit of €3.8 million compared to €0.9 million** in the same period last year, **an increase of +314%.**
- **Net borrowings : €32 million** as of 30 September 2023 compared to **€20 million** as of 31 December 2022.
- **Net asset value: €105 million** compared to **€100 million** as of 31 December 2022, **an increase of 5%.**

### 1. Important events and developments in the REDS Group in the first nine months of 2023

In February 2023, REDS (hereinafter referred to as 'the Company') proceeded with the purchase of plots of land located around the perimeter of the Smart Park commercial park, and REDS SA is considering 'best use' alternatives for their future development, in conjunction with other properties belonging to the Group. On 3 August 2023, the subsidiary Company REDS SA announced that the Ordinary General Meeting of Shareholders of 7 July 2023 had decided, among other things, to reduce its share capital by a sum amounting to €8,040,883.76, by decrease of the nominal value of the Company's ordinary nominal shares with voting rights from €1.31 to €1.17 to offset past year losses. After the above reduction, the Company's share capital amounted to €67,198,814.28, divided into 57,434,884 ordinary nominal shares with voting rights, each with a nominal value of €1,17.

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<sup>1</sup> 9M 2023 results included gains from the sale of real estate property in Romania in the amount of €5.7 million.

On 10 October 2023, an agreement was signed between REDS SA and the company TRADE ESTATES SA (hereinafter 'Trade Estates'), part of the Fournalis Group, for the sale of 100% of the shares in the wholly-owned subsidiary YIALOU COMMERCIAL AND TOURISM SINGLE MEMBER SA (hereinafter referred to as 'YIALOU SA'), which owns, manages and operates the Smart Park shopping park.

On 31 October 2023, the Extraordinary General Meeting of REDS' Shareholders approved the transaction to sell 100% of the shares in the company YIALOU MON SA, belonging to the Company, to Trade Estates.

The value of the property has been agreed at €110 million, while after adjustments based on the net debt position of YIALOU MON SA, as well as the Company's other assets and liabilities as of 31 August 2023, the net price that REDS will be receiving amounts to €93 million. The exact amount of the price will be finalised on the closing date of the transaction, that is, on or before 15 December 2023.

With the completion of this transaction, the REDS SA Group will be in a position to further strengthen its liquidity and consequently its capacity to finance its upcoming investment plans.

## **2. Overview of Financial Results for the first nine months of 2023**

The Group recorded revenues of approximately €7.6 million in the first nine months of 2023, compared to €6.5 million in the corresponding period of 2022, representing an increase of 16.8% or €1.1 million, due to an increase in Smart Park footfall.

Earnings before interest, depreciation, amortisation and taxes (EBITDA) for 9M 2023 amounted to €9.6 million, compared to €4.4 million for 9M 2022. It is noted that 9M 2023 results includes capital gains from sale of a property in Romania amounting to €5.7 million.

Earnings before interest and taxes (EBIT) for 9M 2023 amounted to €8.3 million, compared to €3.0 million in 9M 2022 and pre-tax profits amounted to €4.5 million, compared to €1.7 million for the same period of 2022.

The main financial figures for the first nine months of 2023 and the corresponding comparative figures for the same period in the previous year are presented in the following tables:

amounts in €

	<b>GROUP</b>		
	<b>01.01 - 30.09.2023</b>	<b>01.01 - 30.09.2022</b>	<b>Change</b>
Turnover	7,587,140	6,494,056	16.8%
EBITDA	9,580,960	4,367,893	119.3%
Operating results (EBIT)	8,266,093	3,078,806	168.5%
Profits /(losses) before taxes	4,501,217	1,734,301	159.5%
Profit /(losses) after taxes	3,830,991	926,525	313.5%

Amounts in €	<b>01.01 30.06.2022</b>	<b>01.01 30.06.2023</b>	<b>D</b>	<b>Q3 2022</b>	<b>Q3 2023</b>	<b>D</b>	<b>01.01 30.09.2022</b>	<b>01.01 30.09.2023</b>	<b>D</b>
Turnover	4,192,475	4,928,224	18%	2,301,581	2,658,916	16%	6,494,056	7,587,140	17%
EBIT	1,969,350	7,473,055	280%	1,109,456	793,038	(29%)	3,078,806	8,266,093	169%
EBITDA	2,864,874	8,357,790	192%	1,503,019	1,223,170	(19%)	4,367,893	9,580,960	119%
Margin EBITDA %	68%	170%		65%	46%		67%	126%	

### Alternative Performance Measures (APMs)

The Group uses Alternative Performance Measures in its decision-making processes in relation to performance assessment. These APMs are widely used in the sector in which it operates. The Group's key financial ratios and the calculations thereof are analyzed below:

#### Efficiency ratios

**Group EBITDA Ratio (EBITDA Margin %):** Consolidated operating results before interest, depreciation and amortisation and tax (EBITDA) for the Group turnover.

	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>Explanation</b>
Group EBITDA ratio	126.28%	67.26%	EBITDA/Turnover

**Net Asset Value:** Group equity is adjusted for deferred tax liabilities and assets.

	<b>30.09.2023</b>	<b>31.12.2022</b>
Group Net Asset Value	105,327,290	100,390,572
Change	4.92%	

**Return on Equity (RoE):** Earnings after taxes to equity of the Group.

	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>Explanation</b>
Group Return on Equity	3.73%	0.95%	Profit (Loss) after tax/Equity

**Gearing ratio:** The ratio of net borrowings (i.e. Total long and short-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 30 September 2023 and 31 December 2022 are detailed in the following table:

	<b>GROUP</b>	
	<b>30.09.2023</b>	<b>31.12.2022</b>
Short-term borrowings	4,840,909	6,321,216
Long-term borrowings	65,659,930	24,142,416
Total borrowings	70,500,839	30,463,632
Less: Cash and cash equivalents/Restricted deposits	38,380,758	10,452,879
<b>Net borrowing</b>	<b>32,120,081</b>	<b>20,010,754</b>
Total Equity	102,646,115	97,961,222
Total Capital Employed	<b>134,766,197</b>	<b>117,971,975</b>
<b>Gearing Ratio</b>	<b>23.8%</b>	<b>17.0%</b>

The gearing ratio (Net borrowing / Total Capital Employed) stood at 23.8% as of 30 September 2023, compared to 17.0% on 31 December 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).

	<b>GROUP</b>	
	<b>30.09.2023</b>	<b>31.12.2022</b>
Total borrowings	70,500,839	30,463,632
Less: Financial instruments at fair value	1,166,612	1,166,612
Less: Cash and cash equivalents/Restricted cash	38,380,758	10,452,879
<b>Adjusted Net borrowing</b>	<b>30,953,469</b>	<b>18,844,142</b>
Investments in real estate/ property/ tangible assets/investments in joint ventures plus inventory	<b>157,819,825</b>	<b>124,006,879</b>
<b>Total Capital</b>	<b>188,773,294</b>	<b>142,851,021</b>
<b>NET LTV</b>	<b>16.4%</b>	<b>13.2%</b>

The financial ratio Adjusted Net borrowing / Value of investment portfolio value for 30 September 2023 amounted to 16.4%, compared to 13.2% on 31 December 2022.

### **3. Prospects**

The Company manages its property portfolio with the aim of development in the near future, always with a view to increasing the value of the portfolio as the properties mature.

Regarding the **Cambas Project** development at Kantza in the Municipality of Pallini, which has received urban planning approval subsequent to a presidential decree, as a designated area for 'Organised Development of Productive/Enterprise Activities' (POAPD area), the Business Plan has now been updated and now the company is considering sources of funding for the development of the area of land in question. At the same time, the process of obtaining issue of building permits for the project is in progress and is expected to reach completion within the next year, so that construction works, with a timeframe of 3 years, can commence.

In the coming period, REDS will be focusing on the development of a state-of-the-art **Residential Complex**, to be developed on the Villa Cambas area of land, which is adjacent to the Cambas Estate.

At the same time, development of the area in **Gournes Heraklion** (Project Gournes), Crete, acquired in 2023 from the Hellenic Property Development Fund is proceeding. Its urban planning status has been approved by presidential decree, and to date the respective Business Plan has been completed, taking into account land use and building terms and conditions provided for under the aforementioned decree.

It is a seaside plot, with a surface area of 345,567 sq.m, located 13 km from the Nikos Kazantzakis Airport and 16 km from the city of Heraklion in Crete. As part of the commercial use of the property, REDS SA plans to invest, among other things, in the development of a luxury hotel, residential housing, and a shopping centre. There is also the possibility of developing a casino in the property.

REDS will be taking all the necessary steps to obtain the necessary permits for the property and will, at the same time, be considering sources of independent funding to carry out this development in order to ensure the best possible future use of the land in question. Project Gournes is expected to be completed within the next 5 years with the issuance of a joint ministerial decision regarding zoning of the property, as well as approval for the casino development under a presidential decree.

**Properties in the vicinity of Gialos, Spata, Attica.** REDS SA has completed the purchase of plots located on the perimeter of the Smart Park commercial park and in conjunction with properties belonging to ELLAKTOR Group, and will be reviewing alternatives for 'optimal use' of the properties covering a total surface area of approximately 1000 sq.m.

**Regarding the land and office building in Akadimia Platonos, Athens.** The Company is proceeding with the necessary steps to complete expropriation of the property. The procedure is still in progress.

Regarding 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 SRL. The buyer of the property, with a total plot area 7,974 sq.m., is VASTINT ROMANIA SRL, at a purchase price of €11.4 .. On 18.05.2023, the sale agreement of the second property (B), on Tabacarilor Avenue in Bucharest, Romania of an area of 1,170 sq.m., was completed for a price of €1.6 m.. The above sales with total profit of €5.7m has been accounted for in the financial results of the current fiscal year 2023.

Lastly, about the plot of land **in the Straulesti-Baneasa area** of Bucharest, owned by the subsidiary CLH Estate SRL, REDS has received an offer for the property and is currently considering it.

Kifissia, November 2023