

Australian Securities Exchange
Company Announcements Office

Raptis Group Limited

Quarterly Activity Report to 31 March 2022

Business Activities for the Quarter to 31 March 2022 (4.7C.1)

Management Rights & Development Management Agreement

On 24 March 2022 a meeting of members approved

- the acquisition of a beneficial interest in the Caretaking and Letting agreements for the Gallery Residences at Second Avenue Broadbeach and the associated assets.
- The acquisition of a beneficial interest in the Caretaking and Letting agreements and the reception office for the Pearl Residences at Main Beach (under construction) was approved along with
- An agreement to enter a development management agreement in respect of the Pearl Residences construction at Main Beach.

Details of these transactions are available in the Notice of Meeting and Independent experts report for the meeting of 24 March 2022. These transactions and the payments identified in section 2 of Appendix 4C are related party transactions the subject of Listing rules 10.1.1, 10.1.3 and 10.1.4.

These management rights Investments are considered investment opportunities that would provide a stable cash flow and capital growth to underwrite the administration and overhead costs of the listed entity while building the net asset position. The security of the income stream long term and asset value resilience are part of this investment criteria.

Build to Rent on the Gold Coast

In the three months to 31 March 2022 the company has been

- Working with a potential funding partner to develop and hold build to rent residential units
- evaluating development sites suitable for a build to rent development
- exploring appropriate structures to allow the development and holding of build to rent stock.

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Development Sites

The company has been investigating potential development sites on the Gold Coast that meet the requirements of the current market for residential unit development. The company has paid costs per item 6.1 of Appendix 4C of \$680,509 for feasibility costs including architects, Development Approval applications valuation fees and other feasibility costs. These payments were made solely for unrelated third party costs with no margin or profit to an entity associated with Mr James Raptis that assisted with this feasibility exercise. The company intends to propose to a meeting of members to consider entering into three development management agreements. If approved these agreements would provide a minimum of \$516,000 in this calendar year with a potential income based on performance of a further \$7.7 million between December 2024 and December 2026. The proposal to be put to shareholders is based on the Development Management Agreement approved on 24 March 2022.

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Cash Flow

Securing the management rights business incurred a significant outflow in the period but is expected to produce positive cash flow, over the balance term of 24 years of the agreement.

The feasibility costs were a non-recurring expenditure to evaluate potential projects which has resulted in a proposal for cash generating Development Management agreements subject to members approval.

We anticipate borrowing on the residential apartment acquired on 24 March 2022 that would provide between \$400,000 and \$600,000 of additional working capital prior to 30 June 2022.

The quarter is not covered by “use of funds” reporting as specified in section 4.7C.2

This announcement has been approved for release by the Board of Directors

2 May 2022