

Raptis Group Limited**Quarterly Activity Report to 31 March 2023****Business Activities for the Quarter to 31 March 2023 (4.7C.1)****Development Management Agreement**

On 29 June 2022 a meeting of members approved entering into development management agreements in respect of three residential towers in Broadbeach.

The agreements provide for a fixed initial fee component of \$528,000, with a potential income depending on performance of a further \$7.7 million between December 2024 and December 2026. One of these development sites, the Chelsea Avenue Broadbeach site has been on-sold in the quarter to 31 March 2023 and will not be developed under the agreement. The initial fee has been paid but no further income is due under the agreement. The other two agreements relate to a site in George Avenue and a second Anne Avenue site in Broadbeach. The George Avenue site has been cleared and earth works commenced but a decision has been taken to apply for a new Development Approval reduced to Eighty units.

The first project subject to a development management agreement is Pearl Main Beach. It is scheduled to be completed in the second half of the 2023 Calendar year, however market conditions in the building industry are proving a level of uncertainty for the program and cost. Future fees are subject to performance.

Gallery Residences Caretaking and Letting

The management rights business is generating an unaudited management profit for the listed entity after tax for the nine months of \$52,104. This is after allowing for the Amortisation of \$50,055. Management rights are amortised in accordance with IAS 38 Intangible Assets. The industry has seen consistent growth in the multipliers used for valuation purposes over the past 30 years. The asset class is generally regarded as lower risk than property development.

Cash Flow

Management rights are providing a consistent monthly cash flow.

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
21 April 2023

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