

Raptis Group Limited

Quarterly Activity Report to 30 June 2023

Business Activities for the Quarter to 30 June 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, in addition to the Pearl Residence Main Beach agreement of 24 March 2022.

The agreements provide for a fixed initial fee component of \$528,000, with a potential income depending on performance. One of these development sites, the Chelsea Avenue Broadbeach site was 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 the second at Anne Avenue 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. Delays in construction of the Main Beach and George Avenue project at Broadbeach have made it prudent to offer the Anne Avenue Broadbeach site on the market for sale.

The first project subject to a development management agreement is Pearl Main Beach. The proposed development schedule performance parameters have not been met as a result no performance bonus will be paid. It is scheduled to be completed in the second half of the 2023 Calendar year, however market conditions in the building industry are providing certain challenges. Future fees are subject to performance.

Gallery Residences Caretaking and Letting

The investment unit in Gallery residence has been revalued to fair value at 30 June 2023 for disclosure purposes. This unit has not been sold it is only a valuation increment and could reduce or increase in the future depending on market conditions, however the unaudited increase in value for this asset at 30 June 2023 is \$274,850. The Management rights business cost is amortized in accordance with IAS 38 Intangible Assets, it is not disclosed at market value. The industry has demonstrated historic growth in the multipliers used for valuation purposes over the past 30 years. The asset class is generally regarded as having a lower business 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

26 July 2023

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