COMPANY UPDATE

Premia Properties

2024 Delivers, 2025 Reloads

Upward revisions on 2024 delivery and ECB rates easing – Premia Properties (PP) reported an 18% yoy increase in FY'24 revenue to €22.4m, driven by CPI-linked rental uplifts and incremental income from newly added assets. Annualized rental income now stands at c€30m, reflecting a gross yield >7% on income-producing assets. The company's GAV reached c€498m, up 62% from c€307m in 2023, underscoring the successful execution of PP's expansion strategy. Looking ahead, we have revised our estimates to reflect the combined effect of higher capex in 2025-26, lower cost of debt, and slightly higher revaluation gains, in light of the monetary policy easing. These result in significantly higher FFO of €11.8mn for 2025 (vs €8mn in our previous report and €4.1mn in 2024), supporting an increased dividend of €0.06/share (vs €0.03/share in 2024), based on a minimum 50% payout of FFO. We have also raised our NAV c9% vs our prior forecast, which is the main driver behind the upgrade to our PT.

CapEx of €50m in 2025e; c8% CAGR in NAV through to 2027e – PP's expansion plan targets €160mn in CapEx over 2024–2026. With >€80m already executed (reflecting the cash component of the NLTG hotel deal), we model €50mn for 2025e and €30m for 2026e. Key 2024 investments included the €112.5mn acquisition of two hotels from NLTG, a 32% stake in Village Shopping & More (€14.1m), and the delivery of the AADE office building and Xanthi student apartments, whose full rental contribution is expected in 2025. Looking ahead, remaining investments focus on student housing, offices, hospitality, and commercial assets. These transactions support a 23% CAGR in gross rental income for 2024–2027, with GAV projected to grow at c7% CAGR to €607mn and NAV at c8% CAGR to €253m by the end of the 3-year period.

Equity raise to unlock next leg of growth, but leverage to stay higher than that of peers – With leverage at the upper end of sector norms (LTV at 58%), the current financing structure has reached its limits. As a result, and in order for PP to support further growth, the AGM approved a share capital increase of up to €40mn (up to 80m new shares), expected to be executed by end-June. Based on the company's 60/40 debt-to-equity target, the raise implies investment capacity of up to €100mn, potentially generating €7mn in incremental rental income at a c7% gross yield. We currently do not embed the capital increase and associated capex in our numbers. Pro-forma for the capital injection, net LTV will settle near 52%, namely still higher than sector norms. We thus reckon that further actions (e.g. asset rotations) will be required to enhance balance sheet flexibility and bring leverage more in line with peers.

Valuation – PP's shares have had a tepid performance ytd, in sync with other REICs. The stock remains at c44% NAV discount, much higher than the discount of Trade Estates/Briq (30-35%) and EU REICs (c25%), a level which leaves limited room for downside, in our view. We have recalibrated our valuation now basing our PT on a c25% discount to adj. NAV (vs 20% previously, considering the higher leverage vs peers), resulting in a PT of €1.62/share, reiterating our Buy rating.

Estimates					
EUR mn	2023	2024	2025e	2026e	2027e
Gross rental income	19.0	22.4	35.4	38.8	41.8
EBITDA - adj.	12.0	14.1	22.6	25.3	27.7
Net profit - reported	7.2	40.7	24.1	22.8	24.3
NAV	147.2	197.9	219.1	236.1	253.1
EPS (EUR)	0.08	0.43	0.25	0.24	0.25
DPS (EUR)	0.03	0.03	0.06	0.08	0.09
Valuation					
Year to end December	2023	2024	2025e	2026e	2027e
P/E adj.	19.6x	22.2x	11.2x	9.0x	7.0x
(Discount)/Premium to NAV	-29.3%	-43.8%	-44.0%	-48.0%	-51.5%
Dividend Yield (%)	2.5%	2.6%	4.8%	5.9%	7.1%
FFO Yield (%)	5.0%	3.7%	9.6%	11.9%	14.3%
ROE (reported)	5.0%	23.6%	11.5%	10.0%	9.9%

Recommendation	**BUY**
Target Price	**€1.62**
Prior Target Price	**€1.49**
Closing Price (16/5)	€1.28
Market Cap (mn)	€122.7
Expected Return	26.4%
Expected Dividend	4.8%
Expected Total Return	31.2%

Premia Properties Share Price

Stock Data

Reuters RIC	PREMr.AT
Bloomberg Code	PREMIA GA
52 Week High (adj.)	€1.34
52 Week Low (adj.)	€1.09
Abs. performance (1m)	7.9%
Abs. performance (YTD)	0.8%
Number of shares	95.7mn
Avg Trading Volume (qrt)	€103k
Est. 3yr EPS CAGR	-15.9%
Free Float	28%

Analysts

Christiana Armpounioti
Equity Analyst
☏: +30 210 37 20 254
✉: carmpounioti@eurobankequities.gr

Stamatios Draziotis, CFA
Equity Analyst, Head of Research
☏: +30 210 37 20 259
✉: sdraziotis@eurobankequities.gr

Sales/Trading
☏: +30 210 37 20 117 / 168 /110

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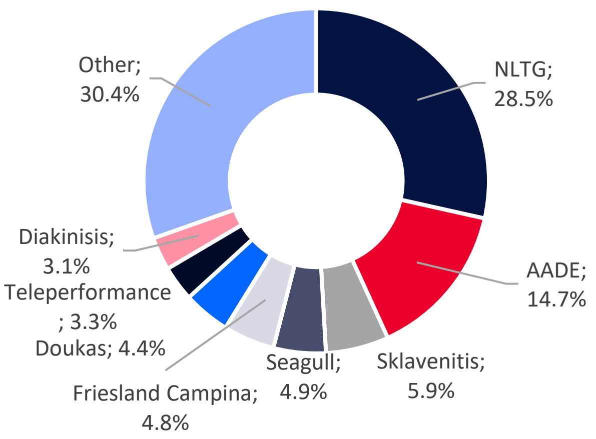
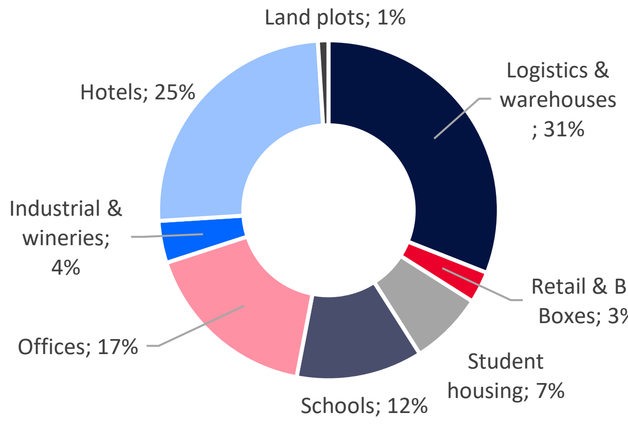
See Appendix for Analyst Certification and important disclosures.

The thesis in 6 charts

Strong tenant mix (% of annualized rental income)

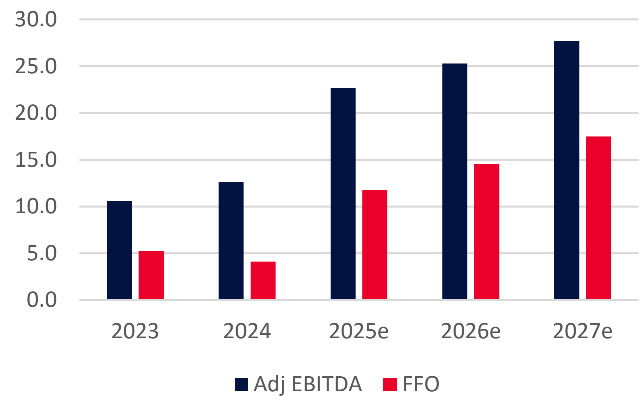


GAV per type of property as of FY'24; 61 assets

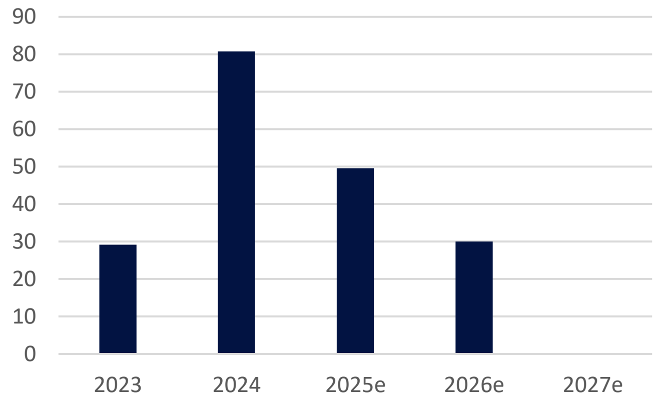


Source: Eurobank Equities Research, Company.

Strong growth in adj. EBITDA and FFO (€mn)

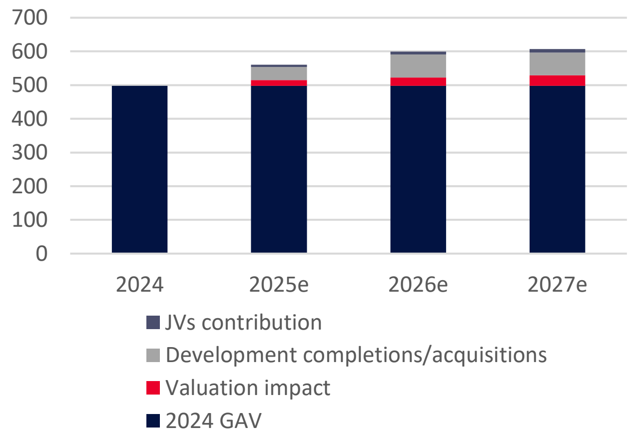


CapEx plan through to 2027e (€mn)

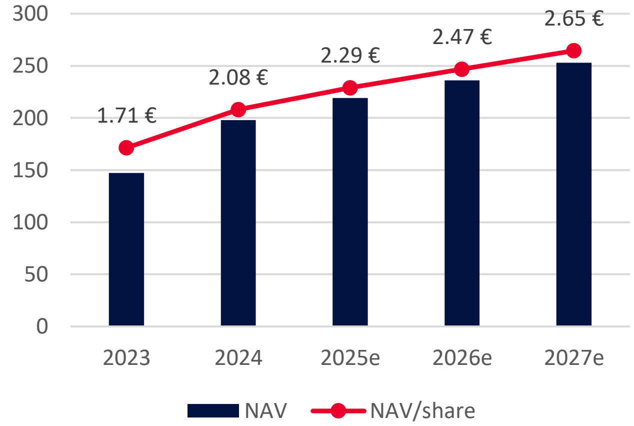


Source: Eurobank Equities Research, Company.

GAV to increase at 7% CAGR over 2024-27 to c€607mn, largely driven by the investment plan execution



…thus leading to c8% 2024-27e CAGR in NAV



Source: Eurobank Equities Research, Company.

Contents

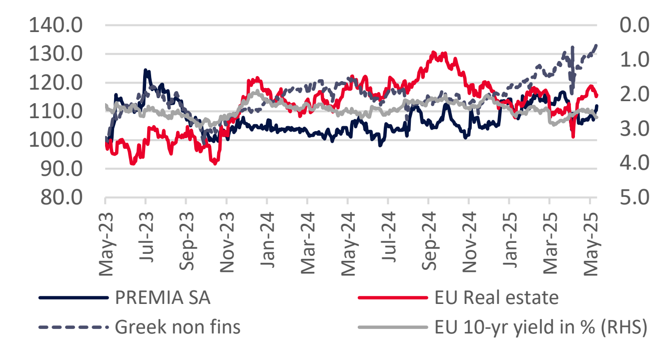
Share price performance and valuation

A. Stock price performance

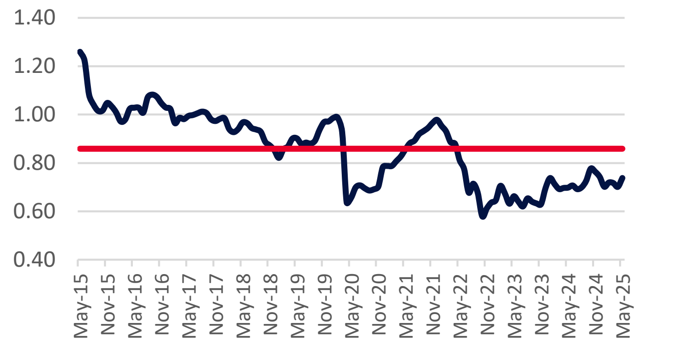
Premia Properties remains little-changed YTD, underperforming Greek Non-Financials (+15%) but moving broadly in line with EU REITs

Premia Properties has continued to underperform other Greek non-financials, being little-changed ytd compared to a c15% return for our broader Greek non-financials' universe. This follows a similarly disappointing performance in 2022-23 (with only 2024 seeing some respite towards the end of the year), attributed to several factors: i) elevated interest rates, which have negatively impacted valuations for rate-sensitive stocks such as real estate companies, ii) Inflationary pressures on raw materials, increasing property development costs and compressing returns, iii) tighter financial conditions, which have weakened balance sheets across EU REITs. The correlation between rising rates and the performance of REICs is exemplified in the chart below, which shows how PP's stock has been moving in broad sync with its closest EU REIT peers. On the contrary, the stock has decoupled from other Greek non-financials, which have been propelled in the last few years by the strong operating momentum and falling risk premia attached to Greek assets.

PP performance vs peers and EU yields (RHS)



EU peers discount to NAV



Source: Eurobank Equities Research, Bloomberg.

PP's NAV discount remains >40%; EU REITs still at c25% discount to NAV

In Europe, share prices of REITs have had limited respite, despite the monetary easing that began in June, as the rates setup was, in general, one of a higher-for-longer environment. The sector did post meaningful gains between April and October 2024 in view of policy easing but has retraced lower since then. Interestingly, discounts to NAV have narrowed, so the sector seems to have re-rated, but this is largely due to NAV dilution. In essence, while lower rates are likely to lead to declining marginal debt costs, there are concerns that a potential economic slowdown will increase the risk of higher vacancy rates. Overall, EU REITs, as a sector, are still trading at c25% discount to NAV, well above the historical average of c15%, which does leave room for a potential re-rating as rates decline. In our view, as the outlook for NAV stabilisation and growth improves, helped by lower discount rates and a firmer macro pulse, discounts could shrink materially. That said, the pace and extent of any re-rating will likely remain uneven, hinging on asset quality, balance sheet discipline, and the ability to sustain occupancy and rental yields in a still-fragile economic environment. With this in mind, there is plenty of scope for Premia to narrow its >40% discount to NAV.

B. Valuation

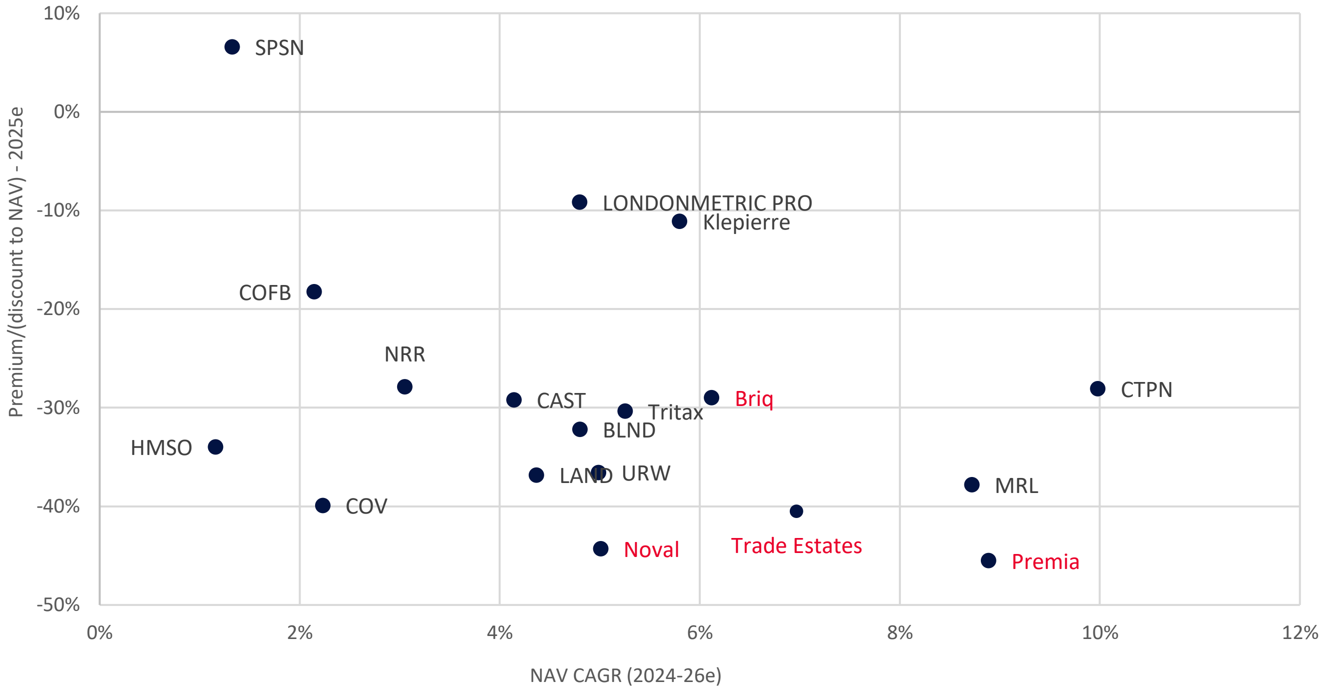
In the graphs below, we present the peer group valuation compendium, contrasting the discount to spot NAV against each company's NAV growth profile over the next 2 years and against each company's net LTV. We note the following:

- NAV growth does seem to be rewarded by investors to some extent, with the companies that enjoy the strongest NAV growth profile trading at a relatively limited discount to NAV.
- Sector exposure seems less relevant than NAV growth. Indeed, among the companies trading at the smallest discount to NAV are, Swiss Prime (offices), Londonmetric

(logistics/warehouses), Klepierre (shopping centers), Castellum (office) and CTP (Industrial/logistics).

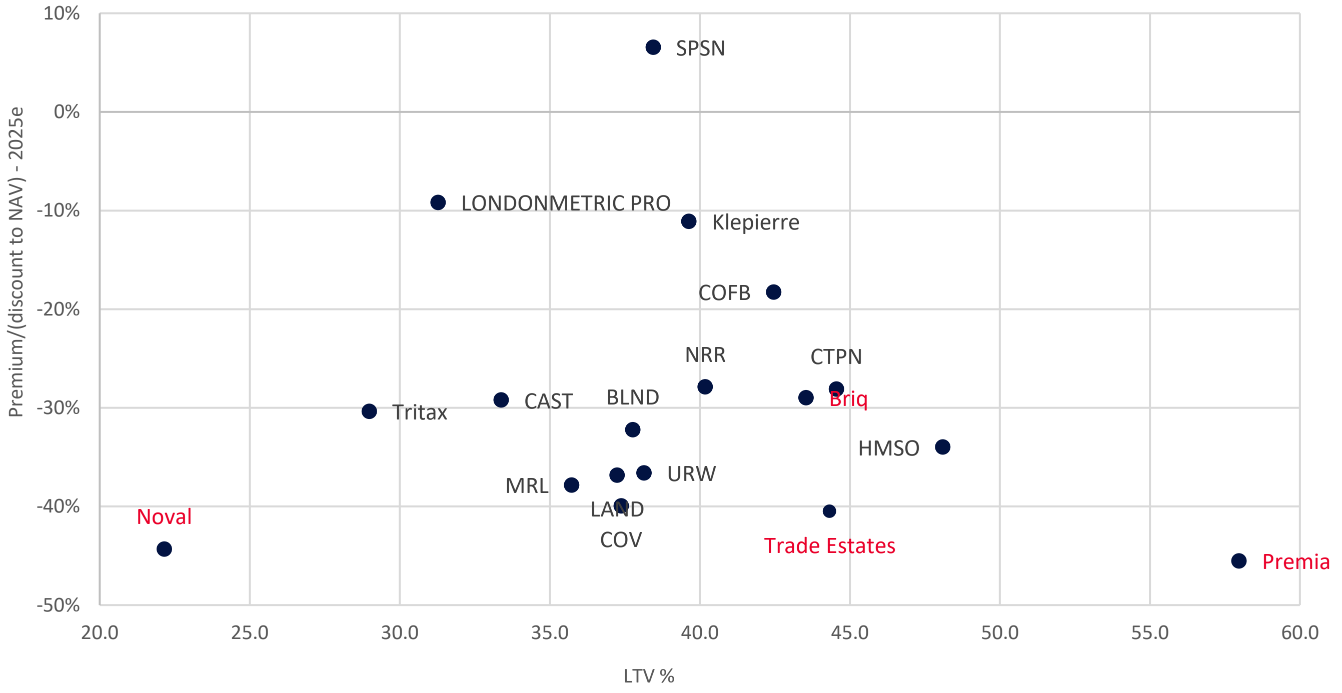
- Leverage also plays a role, with high leverage being a material headwind for valuation.

Valuation compendium: NAV growth vs premium/(discount) to NAV



Source: Eurobank Equities Research, Company data, Bloomberg.

Valuation compendium: Net LTV vs premium/(discount) to NAV



Source: Eurobank Equities Research, Company data, Bloomberg.

PT predicated on 25% discount to adj. NAV

We have recalibrated our valuation on Premia Properties, incorporating our new estimates but now basing our PT on a c25% discount to adj. NAV (namely excluding 2025e revaluations), a slightly more conservative valuation vs our previous report (20% discount) and a higher discount vs the standard 20% applied to other Greek REICs under our coverage. In our view, this is warranted by Premia's higher leverage profile, which will remain elevated even pro-forma for the upcoming €40m capital increase. We note that the 25% discount is at the low end of the European peer group but consistent with the comments above, namely:

- Premia's high-yielding portfolio that offers protection against potential further interest rate increases, with rental yield on income-producing assets >7%, indicating a comfortable cushion and plenty of headroom vs finance costs (<4%).
- **c8% NAV CAGR over 2024–2027e, paired with a c5% dividend yield over 2025–2027,** offering investors upside optionality through NAV growth alongside a solid, recurring cash return.

By flexing the discount to 20%-30%, we derive a fair price range of €1.51-€1.73 per share. Our baseline price target has been raised to €1.62/share (up from €1.49/share previously) thanks to the higher estimates and the roll-over of our valuation to 2025e.

Valuation			
€m unless otherwise stated	**Baseline**	**Bull**	**Bear**
FY 2025 GAV	561		
- net debt / other adj.	-341		
FY 2025e NAV	**219**		
Other adj.	-12		
Adj. NAV	**207**		
Assumed discount to NAV	25%	20%	30%
Equity valuation	**155**	**165**	**145**
Target Price (EUR per share)	**1.62 €**	**1.73 €**	**1.51 €**
Source: Eurobank Equities Research			

FY’24 overview

FY’24: Strong earnings and step-change in asset base; GAV up 62%

Premia delivered strong FY’24 results, with total revenue rising 18% yoy to €22.4mn and adjusted EBITDA up 17% to €14.1mn, fueled by inflation-linked rent adjustments and new property additions (i.e. Athens Heart/Piraeus 180, Logistics in Aspropyrgos and student apartments in Xanthi). Net profit surged to €40.7mn (vs. €7.2mn in FY’23), significantly exceeding our €25.2mn estimate, primarily driven by €23mn in revaluation gains, mainly attributed to Athens Heart (vs. only €2.3mn in FY’23) and €11.7m gains from participations in JVs, mainly P&E INVESTMENTS - Project Skyline.

GAV expanded to c€498mn, a substantial increase from c€307mn in December 2023, while NAV rose to €198mn (€2.08/share) from €166mn in 9M’24 and €147m in Dec 2023 (€1.7/share).

Premia Properties has significantly expanded its real estate portfolio, now holding 61 properties with a total investment value of €498mn, marking a 62% increase since December 2023. The gross yield on income-generating assets stands at 7.2%, with growth primarily driven by project deliveries, 11 new acquisitions, €23mn in revaluation gains and €11.7m from JVs’ gains.

On the cash flow front, FFO decreased by c€1m compared to FY’23, primarily due to higher interest expenses driven by increased leverage required to support the company’s extensive investment plan. Net LTV thus increased to 58%, markedly higher than peers, with the group's average cost of debt for FY’24 standing on average at c4% on our estimates.

Premia - FY'24 results overview

EURm	FY'23	FY'24	yoy
Gross rents	19.0	22.4	18%
Property operating expenses	-5.3	-6.0	15%
Net rental income	**13.7**	**16.3**	**19%**
Operating expenses	-3.4	-4.4	29%
Change in valuation of investment property	2.3	23.0	897%
Other income / expenses	1.2	1.5	27%
EBIT	**13.8**	**36.4**	**164%**
Gains of investments in JVs	-0.3	12.7	-4476%
Net interest expense	-4.8	-6.2	30%
EBT	**8.7**	**42.8**	**393%**
Income tax	-1.4	-2.0	35%
Non-controlling interests	0.0	-0.2	
Net profit	**7.2**	**40.7**	**462%**
EBITDA	**14.1**	**37.1**	**164%**
EBITDA adj.	**12.0**	**14.1**	**17%**
Adj. EBITDA margin	63%	63%	
FFO	**5.2**	**4.1**	**-22%**
GAV	**307.2**	**497.9**	**62%**
Net debt	155.5	289.1	
NAV	**147.2**	**197.9**	**34%**
NAV/share in EUR	1.71 €	2.08 €	21%
Net LTV	**50.6%**	**58.0%**	**15%**

Source: Company, Eurobank Equities Research

…and a taste of what is coming

With the current financing structure having reached its limits under the existing growth framework, management announced recently its intention to proceed to a **share capital increase of up to €40m** through the issuance of up to 80m new common shares, aimed at funding the investment pipeline. The proceeds are expected to be allocated across strategic focus areas including the hospitality sector, student housing, social infrastructure (particularly in education, such as schools), green office developments, and logistics. According to management, the capital increase is scheduled to take place within the year, likely by the end of H1 2025.

Based on the company's targeted capital structure of 60% debt and 40% equity, the €40mn capital raise implies total investment capacity of up to €100m, with the potential to generate incremental rental income of up to €7mn, assuming a gross yield of approximately 7%. We currently do not include the proposed share capital increase or the related capex in our estimates.

In addition, PREMIA's management has set a **medium-term target to grow the portfolio's GAV to €1bn over the next three to five years**. While the announced capital increase is a first step toward this goal, additional means will be required in our view. Management intends to pursue a variety of transaction structures—such as contributions in kind—to support the expansion plan.

Management also provided 2025 guidance, forecasting total consolidated revenues of €34–35m and adjusted EBITDA of €22–23m, reflecting the full-year contribution of recent acquisitions (NLTG, Sunwing Hotels) and new developments (Piraeus 180 offices and student housing). Our updated estimates are broadly in sync with this line of thinking.

Recent Investments/Acquisitions and Developments:

In line with its growth ambitions, Premia Properties is advancing a dynamic investment agenda, committing around €160mn through 2026, including joint ventures. Below, we outline the main transactions carried out during 2024 and so far in 2025.

Portfolio Expansion and Key Transactions during 2024

Project Deliveries:

- Completion of a green-certified office complex in Tavros, leased to the Independent Authority for Public Revenue (IAPR), which began generating annual rental income of c€4mn as of May 2024.
- Completion of a mixed-use property in Xanthi, combining student accommodation and commercial space. The development became income-generating in October 2024, with annual rental income of c€0.3–0.4m.

New Acquisitions:

- T two 4-star hotel complexes in Rhodes and Crete (796 keys in total) from Nordic Leisure Travel Group (NLTG) for €115.2m. The properties—Sunwing Kallithea and Sunwing Makrigialos, in operation for 50 and 40 years respectively—will continue to be operated by NLTG under a 15-year triple-net lease, with two 5-year extension options. The hotels are expected to generate annual gross rental income of €8.5mn starting in early 2025. The transaction was accompanied by a c€10.4mn share capital increase (7.6mn shares at €1.36) covered by NLTG.
- A logistics facility (11,301 sqm) in Aspropyrgos, fully leased to Iron Mountain Hellas. Following construction works amounting to €2.23mn, the property became income-generating in October 2024.

Asset Development & Value-Enhancing Initiatives:

- Launch of the Pikermi development, where an existing Premia-owned property is being transformed into office and pharmaceutical production facilities, leased to GENEPHARM, with completion expected in Q2 2025.

Selective Disposals:

- Profitable disposals of non-core assets, including a big-box supermarket in Katerini and a winery in Santorini, sold for €2.26mn and €6.5mn, respectively. The assets were carried at book values of €2.18mn and €4.06mn, highlighting the capital gains realized on both transactions.

Strategic collaborations/acquisitions:

- Wineries sector (January 2024): Formed a 50/50 joint venture with TEMES S.A. to develop a winery facility in Greece's largest wine-producing region.
- Expansion into Tourism through Sale & Leaseback with NLTG Group (December 2024). As part of the strategic partnership, NLTG acquired a 9.7% stake in Premia's share capital.
- Acquisition of Village Shopping & More (through JV) in Renti in collaboration with Sterner Stenhus, the Antetokounmpo family, and private investors for €14.1mn. Premia holds a 32% stake in the joint venture, with expected annual income of approximately €0.2mn.
- Participation in one of Greece's largest real estate deals – Skyline Acquisition (December 2024). Premia acquired a 25% stake in P&E Investments S.A., the vehicle that acquired 65% of Skyline. The transaction grants Premia indirect exposure to a diversified real estate portfolio across multiple asset classes.

Looking Ahead to 2025 Premia's investment pipeline includes (2025e capex c€50m according to mngnt):

- Acquisition of Semeli Estate for a total consideration of €10.6mn. Under the agreement, Premia will acquire buildings with a total area of 6.8K sqm (including a 5.5K sqm winery in Nemea, Corinthia) as well as agricultural land covering 278 stremmas. As part of the transaction structure, Premia will own the real estate assets and lease them back to Semeli Winery S.A., while the winemaking and commercial operations, including trademarks, equipment, inventory, and liabilities, will be transferred to Hellenic Wineries S.A., the parent company of Boutari Wineries and Ioli Pigi.

- Acquisition of an office building in Thessaloniki, leased to the National Land Registry until 2034, with an annualized rental income of €558k. The acquisition price amounted to c€7.6mn.
- Acquisition of an office property in Kalamaria, located at 33 Ethnikis Antistaseos Street, for €5.6mn. The building is currently under redevelopment and is expected to be delivered by September–October 2025.
- Expansion into student housing, with the conversion of acquired assets in Larissa, Volos, and Xanthi into student residences, expected to become income-generating by September–October 2025.
- Acquisition of two additional assets in Rhodes and Xanthi to be converted into student housing, with expected delivery and income generation in September–October 2026.

Estimates changes and main assumptions overview

Lower interest expenses; higher FFO and dividend; higher capex; higher NAV

Following the release of FY'24 results, management's 2025 guidance, and increased visibility on the investment pipeline, along with recent shifts in the monetary policy environment, we have recalibrated our estimates to reflect higher capex in 2025–2026 and a lower cost of debt in light of the ECB rate cuts. A summary of our estimate changes can be found below.

	New estimates			Old estimates			Change (%)		
EURm	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Total revenue	**35.4**	**38.8**	**41.8**	**35.4**	**38.1**	**39.7**	**0%**	**2%**	**5%**
Net rental income	27.3	30.2	32.9	27.6	29.9	31.3	-1%	1%	5%
Adj. EBITDA	**22.6**	**25.3**	**27.7**	**23.2**	**25.2**	**26.5**	**-2%**	**0%**	**5%**
Financial income (expense)	-9.0	-9.1	-8.7	-11.3	-11.9	-11.7	-20%	-23%	-26%
Net income	24.1	22.8	24.3	21.5	21.2	23.1	12%	8%	5%
FFO	**11.8**	**14.5**	**17.5**	**8.5**	**10.0**	**11.4**	**38%**	**45%**	**53%**
GAV	560.5	599.7	606.6	507.1	535.6	546.3	11%	12%	11%
Net debt	332.1	353.5	343.3	318.4	330.2	322.8	4%	7%	6%
NAV	**219.1**	**236.1**	**253.1**	**200.3**	**217.2**	**235.3**	**9%**	**9%**	**8%**
NAV/share in EUR	2.29 €	2.47 €	2.65 €	2.14 €	2.32 €	2.52 €	7%	6%	5%
DPS in EUR	0.06 €	0.08 €	0.09 €	0.05 €	0.05 €	0.06 €	35%	42%	50%
Net LTV	**59.3%**	**58.9%**	**56.6%**	**62.8%**	**61.6%**	**59.1%**	**-6%**	**-4%**	**-4%**

Source: Company, Eurobank Equities Research

More specifically, we have revised our rental income forecasts upward by approximately 2–5% for the period 2026–2027, reflecting the increased capex expected over that timeframe. For 2025e, it is worth highlighting that revenues will fully reflect the annualized contribution from projects completed/acquired in 2024—namely the NLTG hotels in Rhodes and Crete, Athens Heart, the student housing facility in Xanthi, and the logistics property in Aspropyrgos, as well as some new additions during this year—driving total revenue from €22.2mn in 2024 to €35.4mn in 2025.

In terms of capex, Premia's investment pipeline amounts to approximately €160mn for the period 2024–2026. With around €80mn already deployed in 2024 (considering only the cash component of the NLTG transaction), we model an additional €50mn in 2025e in line with management guidance, and a further €30mn for 2026e. Management targets a gross rental yield of c7% on these investments, implying c€6mn in incremental annual rental income from 2025–2026 capex, on top of the €30mn annualized rental income as of year-end 2024.

The main capex components for 2025e include:

1. The acquisition of **Semeli Estate** for a total consideration of €10.6mn, which includes buildings with a total area of 6.8k sqm (notably a 5.5k sqm winery in Nemea, Corinthia) and 278 stremmas of agricultural land.
2. Acquisition of an **office building in Thessaloniki**, leased to the National Land Registry until 2034, with annualized rent of €558k. The purchase price was c€7.6mn.
3. Acquisition of an **office property in Kalamaria** (33 Ethnikis Antistaseos Street) for €5.6mn, currently under redevelopment and expected to be delivered by September–October 2025.
4. Conversion of acquired assets in **Larissa** (acquired for €2mn), **Volos**, and **Xanthi** into **student housing**, expected to become income-generating in September–October 2025.
5. Acquisition of **two additional properties in Rhodes and Xanthi, also intended for conversion into student housing**, with delivery and income generation anticipated in September–October 2026.
6. 6. A €5mn equity injection into the **P&E Investments JV**, linked to the Skyline transaction.

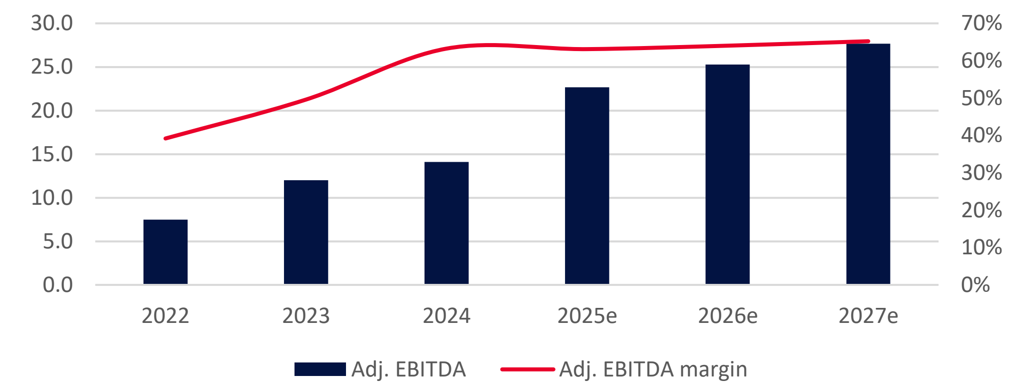
Full impact of 2024 investments and €80mn pipeline to add c€19mn in rents by 2027

Taking these factors into account, we now forecast a 3-year gross rental income CAGR of c23% for Premia Properties over 2024–2027e, reaching €41.8mn by 2027e (vs €39.7mn in our previous estimate), up from €22.4mn in 2024. The uplift is driven by CPI-linked rent indexation and the contribution of new assets from the investment pipeline. Specifically, we estimate that developments and acquisitions will add €17.2mn to rental income over the 2025–2027 period, with the remaining growth stemming from inflation-linked rent adjustments. For 2025e, gross rental income will rise to €35.4mn, on our numbers, supported by the full-year contribution of recently completed/acquired assets—most notably the two NLTG hotels, the AADE building, and the Xanthi student housing project—which are set to generate c€10mn of additional rental income. The remainder will come from the onboarding of new properties and CPI-based rent increases.

EBITDA CAGR 2024-27e of 25% driven by rental growth and scale benefits

This translates into a c25% CAGR in adjusted EBITDA over the same period. We forecast adj. EBITDA (excluding revaluation gains and net results from JVs) of c €22.6mn for 2025 (+60% yoy), just a tad below our previous estimate of €23.2mn. Our 2026e forecast remains unchanged at €25.3mn, while our 2027e has been raised to €27.7mn (+4% vs prior), driven by higher rental income. We also expect the adj. EBITDA margin to improve gradually, reaching 66.3% by 2027, up from 63.1% in 2024, supported by operating leverage and portfolio scaling.

Adj.EBITDA in EURm (LHS) and Adj. EBITDA margin (RHS)



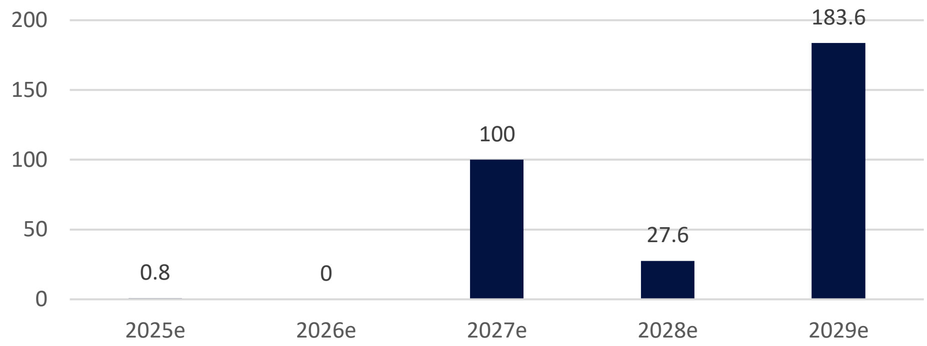
Source: Eurobank Equities Research, Company data.

Value gains and lower funding costs support bottom line

Below the adjusted EBITDA line, the key contributors are revaluation gains, finance costs, and net results from joint ventures (JVs), as depreciation is negligible. Our estimates include c€6-8mn annual revaluations over 2026-28e following c€11m in 2025e, driven by rental growth, yield compression of c5bps in 2025e, and capital gains from development projects.

On the financing front, c61% of gross debt (€311mn) at the end of 2024 was at fixed rates. We estimate an average cost of debt of c4% for 2024, which we expect to ease to c3.4% in 2025e, reflecting the decline of the ECB main rate to 2%. As such, we have modelled net financial expense of c€9m in 2025 (vs €11.3 on our previous estimates), despite higher leverage. We note that part of the fixed-rate exposure relates to the €100mn bond maturing in 2027, carrying a favourable 2.8% coupon. While this will likely be refinanced, we consider it unlikely that terms as attractive will be replicated.

Debt maturity profile (amounts in €m)



Source: Eurobank Equities Research, Company data.

As a result, we forecast net income of €24.1mn in 2025e (12% higher than our previous estimates mainly thanks to lower financial expenses resulting from lower cost of debt amid ECB rate cuts). We note this marks a decrease of c40% yoy, as 2024 results had been buoyed by sizeable revaluation gains which are unlikely to repeat. As far as taxation is concerned, we remind that REICs in Greece are exempt from income tax. The latter is substituted by a tax on investments and liquid assets at a rate equal to 10% x (ECB rate + 1%), with overall taxation for the REIC settling near 0.3% of GAV on our estimates.

Premia Properties - P&L

EURm unless otherwise stated	2022	2023	2024	2025e	2026e	2027e
Gross rental income	**15.1**	**19.0**	**22.4**	**35.4**	**38.8**	**41.8**
Property operating expenses	-4.0	-5.3	-6.0	-8.0	-8.5	-8.9
Net rental income	**11.0**	**13.7**	**16.3**	**27.3**	**30.2**	**32.9**
OpEx excl. depr	-3.6	-3.1	-3.7	-4.7	-4.9	-5.2
Adj. EBITDA	**7.5**	**10.6**	**12.6**	**22.6**	**25.3**	**27.7**
Depreciation	-0.3	-0.3	-0.7	-0.8	-0.9	0.0
Profit from sale of property	0.0	1.2	1.5	0.0	0.0	0.0
Fair value adj.	16.9	2.3	23.0	11.3	8.0	5.6
Income from JVs/extraordinaries	-4.9	-0.3	12.7	1.8	1.2	1.2
EBIT	**19.3**	**13.5**	**49.0**	**34.9**	**33.6**	**34.6**
Net financial expenses	-3.1	-4.8	-6.2	-9.0	-9.1	-8.7
EBT	**16.2**	**8.7**	**42.8**	**25.9**	**24.5**	**25.9**
- tax	-0.4	-1.4	-2.0	-1.9	-1.6	-1.6
Net income	**16.0**	**7.2**	**40.7**	**24.1**	**22.8**	**24.3**
Adj. Net income	**3.9**	**5.2**	**5.0**	**11.0**	**13.6**	**17.5**
FFO	4.0	5.2	4.1	11.8	14.5	17.5
FFO % of adj. EBITDA	54%	49%	32%	52%	57%	63%

Source: Company, Eurobank Equities Research

Cash flow and dividends

… with the equity proposition tilted towards growth in NAV, topped up by materially higher cash returns in 2025e (2x 2024 DPS)

We expect FFO to reach c€11.8mn in 2025e, representing c52% of adj. EBITDA, significantly higher than €4.1mn in the prior year. This increase is primarily attributed to higher net rental income. That said, and assuming the minimum 50% dividend payout ratio of FFO, this translates to a doubling of dividend from €0.03/share in 2024 to €0.06/share in 2025e. The respective yield is c5%, quite compelling considering the company's strategic focus on reinvesting capital into growth initiatives.

Balance sheet

Net LTV to remain near c60% on our estimates throughout the pipeline execution…

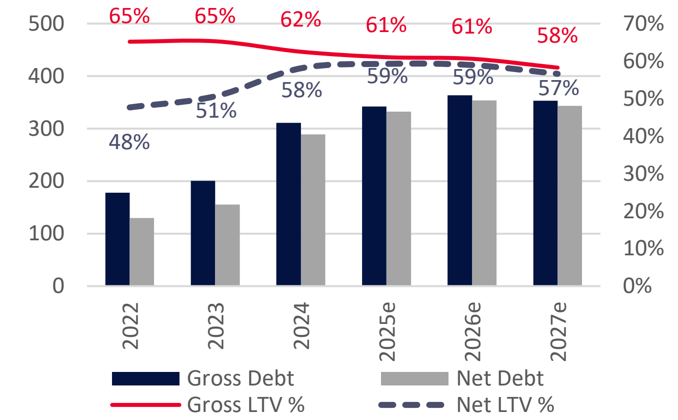
Turning to the balance sheet, we forecast a cumulative increase of c€109mn in portfolio value by 2027e relative to FY'24, bringing GAV to an estimated €607mn. Based on our projections, this implies a gross yield of c7%. The uplift is primarily driven by project completions and associated gains (c€42mn), new acquisitions (c€35mn), and revaluation gains (c€21mn), reflecting both yield compression and rental income growth. Additionally, we factor in equity contributions and earnings from joint ventures amounting to c€10mn.

On the leverage front, we expect net LTV to peak at c59% in 2025-26e. As operating profitability improves, we forecast a gradual reduction in net LTV to 57% by end-2027, albeit still above the average levels observed across European peers. We note that our estimates do not incorporate the approved €40mn share capital increase, which is expected to be executed by the end of June. Pro-forma for the capital injection, net LTV will settle near 52%, namely still higher than sector norms. **We thus reckon that further equity funding or selective asset rotations will be required to enhance balance sheet flexibility and bring leverage more in line with peers.**

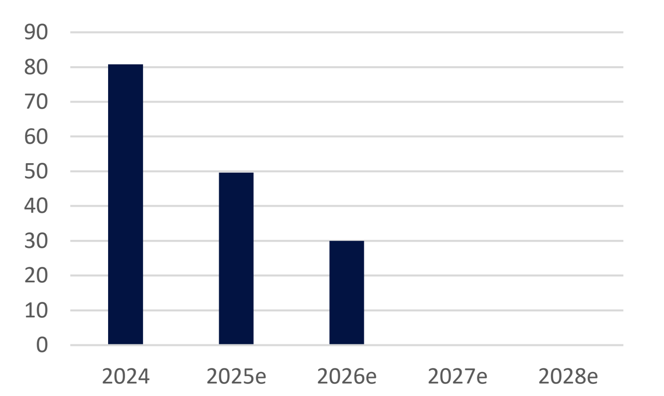
GAV CAGR c7% between 2024 and 2027e; c8% NAV CAGR over the same timeframe

Premia Properties' gross debt is set to exceed €342mn by end-2025e, up from €311mn in 2024, and to peak at around €364mn in 2026e. The increase is primarily driven by planned capital expenditures of c€50mn in 2025 and a further €30mn in 2026. Despite higher leverage, these investments are primed to drive meaningful value creation, on our numbers, with NAV projected to grow at a CAGR of c8% to €253mn by 2027e, and GAV rising at 7% CAGR to €607mn over the same period.

Gross Debt and Net Debt Evolution (€m)



Total CapEx (€m) in Investment Properties



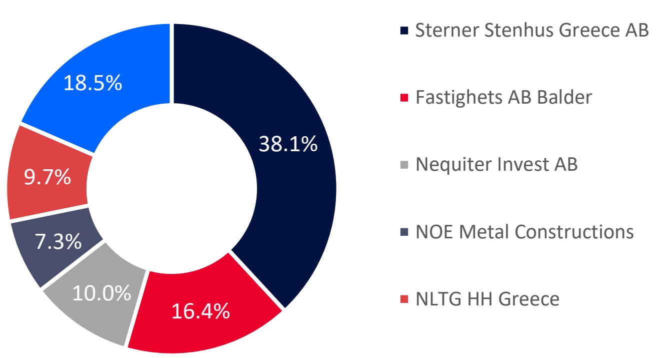
Source: Eurobank Equities Research, Company data.

Shareholder structure

Sterner Stenhus at 38.1%, NLTG at 9.7% post the hotel deal

Following the increase of the share capital in the context of the acquisition of the Two 4* hotels in Rhodes and Crete, Premia's shareholder structure has shifted as follows: Sterner Stenhus holds a 38.1% direct stake, Fastighets AB Balder owns 16.4%, Nequiter Invest AB controls 10%, NOE S.A. holds 7.3%, and NLTG owns 9.7%. The remaining 18% of the share capital is collectively held by other shareholders, each owning less than 5%.

Shareholder Structure as of FY'24 (€m)



Source: Eurobank Equities Research, Company data.

Group Financial Statements

EURmn					
P&L	**2023**	**2024**	**2025e**	**2026e**	**2027e**
Gross rental income	**19.0**	**22.4**	**35.4**	**38.8**	**41.8**
Property expenses	-5.3	-6.0	-8.0	-8.5	-8.9
Net operating income (NOI)	**13.7**	**16.3**	**27.3**	**30.2**	**32.9**
% change	*24.5%*	*18.7%*	*67.7%*	*10.5%*	*8.8%*
NOI margin (%)	*72.3%*	*73.0%*	*77.3%*	*78.0%*	*78.6%*
EBITDA - adjusted	**12.0**	**14.1**	**22.6**	**25.3**	**27.7**
Financial income (expense)	-4.8	-6.2	-9.0	-9.1	-8.7
Revaluations/other income (net)	1.5	34.9	12.3	8.3	6.8
PBT - reported	**8.7**	**42.8**	**25.9**	**24.5**	**25.9**
Income tax	-1.4	-2.0	-1.9	-1.6	-1.6
Non-controlling interest	0.0	-0.2	0.0	0.0	0.0
Net Profit - reported	**7.2**	**40.7**	**24.1**	**22.8**	**24.3**
Adj. EPS (EUR)	0.05	0.04	0.11	0.14	0.18
DPS (EUR)	0.03	0.03	0.06	0.08	0.09
Cash Flow Statement	**2023**	**2024**	**2025e**	**2026e**	**2027e**
Adj. EBITDA	12.0	14.1	22.6	25.3	27.7
Change in Working Capital	0.2	-0.2	-2.3	0.0	0.0
Net Interest	-8.0	-9.0	-9.0	-9.1	-8.7
Tax	-1.0	-1.8	-1.9	-1.6	-1.6
Other	2.1	0.0	0.0	0.0	0.0
Operating Cash Flow	**5.4**	**3.1**	**9.5**	**14.5**	**17.5**
Capex	0.0	-24.7	-24.6	-14.0	0.0
Other investing	-29.2	-56.1	-25.0	-16.0	0.0
Net Investing Cash Flow	**-29.2**	**-80.8**	**-49.6**	**-30.0**	**0.0**
Dividends	-1.7	-2.6	-2.9	-5.9	-7.3
Other	0.0	-53.4	0.0	0.0	0.0
Net Debt (cash)	**155.5**	**289.1**	**332.1**	**353.5**	**343.3**
FFO (adj.)	**5.2**	**4.1**	**11.8**	**14.5**	**17.5**
Balance Sheet	**2023**	**2024**	**2025e**	**2026e**	**2027e**
Investment property (incl. fin. assets)	304.4	469.7	526.3	563.3	569.0
Investments in JVs	2.8	27.6	34.2	36.4	37.6
Other Long-term assets	1.8	2.3	1.5	0.6	0.6
Non-current Assets	**309.0**	**499.7**	**562.0**	**600.3**	**607.1**
Trade receivables	0.9	1.4	1.4	1.4	1.4
Other receivables	1.2	2.0	1.5	1.5	1.5
Cash & Equivalents	45.0	21.9	10.0	10.0	10.0
Current assets	**47.2**	**25.3**	**12.8**	**12.8**	**12.8**
Total Assets	**356.1**	**524.9**	**574.9**	**613.1**	**620.0**
Shareholder funds	147.2	197.9	219.1	236.1	253.1
Non-controlling interest	0.0	0.2	0.2	0.2	0.2
Total Equity	**147.2**	**198.1**	**219.3**	**236.3**	**253.3**
Long-term debt	194.8	298.1	329.9	351.3	341.1
Other long-term liabilities	3.3	9.2	9.2	9.2	9.2
Long Term Liabilities	**198.1**	**307.3**	**339.1**	**360.5**	**350.3**
Short-term debt (incl. leases)	5.7	13.0	12.2	12.2	12.2
Trade Payables	0.5	1.3	1.3	1.3	1.3
Other current liabilities	4.5	5.2	2.9	2.9	2.9
Current liabilities	**10.8**	**19.5**	**16.4**	**16.4**	**16.4**
Equity & Liabilities	**356.1**	**524.9**	**574.9**	**613.1**	**620.0**
Key Financial Ratios	**2023**	**2024**	**2025e**	**2026e**	**2027e**
P/E adj.	19.6x	22.2x	11.2x	9.0x	7.0x
Discount/Premium to NAV	-29.3%	-43.8%	-44.0%	-48.0%	-51.5%
EV/EBITDA	21.5x	28.4x	20.1x	18.8x	16.8x
EBIT/Interest expense	2.4x	2.2x	2.4x	2.7x	3.2x
Net Loan to Value (LTV)	51%	58%	59%	59%	57%
ROE	5.0%	23.6%	11.5%	10.0%	9.9%
Dividend Yield (%)	2.5%	2.6%	4.8%	5.9%	7.1%
FFO Yield (%)	5.0%	3.7%	9.6%	11.9%	14.3%

Source: Eurobank Equities Research, Company.

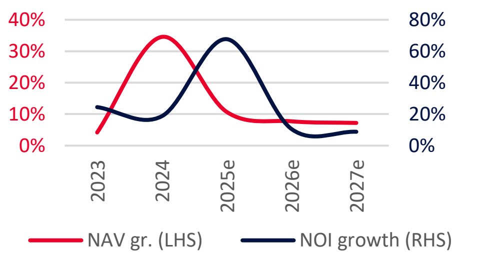
Company description

Premia Properties (PP) is one of the largest REICs in GAV and rental income, boasting a portfolio of real estate assets with GAV of c€498m. This extensive portfolio comprises 61 properties located in Greece. Strategically positioned across different sectors, Premia's holdings include logistics (accounting for 31% of GAV), Hotels (25%), Offices (17%), Serviced Apartments (7%), Social Infrastructure (12%), Industrial & wineries (4%), and Big Boxes (3%).

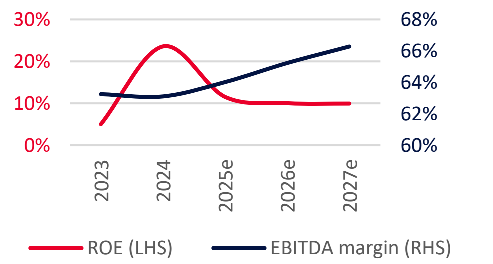
Risks and sensitivities

- **Macro:** A weaker macro environment could potentially impact rental growth for existing assets as well as occupancy rates and leasing prospects for the group's pipeline.
- **Property revaluations and Balance sheet:** Significant property revaluations on the existing asset base materially below the numbers embedded in our current estimates would result in higher LTV ratios, thus leading to a weaker balance sheet, higher cost of capital and lower total accounting returns. In addition, the elevated leverage limits financial flexibility for future investments on top of the announced capex plan.
- **Higher-than-expected interest rates:** should interest rates settle above our assumptions, this would push interest costs higher while also increasing our cost of capital assumption, thus resulting in lower portfolio values.
- **Weaker pass-through of inflation into rentals:** Given inflation indexation in place for the bulk of rentals, we assume a full pass-through of headline inflation. Any indication that this pass-through is only partial following re-negotiation with tenants would result in weaker rent growth forecasts than currently embedded in our numbers.
- **Sensitivity:** We estimate that flexing our implicit yield assumption by 50bps would result in c€12m changes in the group's portfolio valuation, thus translating to a c5% impact to the group's NAV.

NAV and NOI growth



Profitability and returns



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VAT No: 094543092, Reg. No. 003214701000

10 Filellinon Street
105 57 Athens, Greece

Telephone: +30 210-3720 000
Facsimile: +30 210-3720 001
Website: s
E-mail: research@eurobankequities.gr

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12-month Rating History of Premia Properties:

Date	Rating	Stock price	Target price
19/05/2025	Buy	€ 1.28	€ 1.62
17/01/2025	Buy	€ 1.22	€ 1.49
19/12/2024	Buy	€ 1.18	€ 1.49

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Stock Ratings	Coverage Universe		Investment Banking Clients		Other Material Investment Services Clients (MISC) - as of 15th Apr 2025	
	Count	Total	Count	Total	Count	Total
Buy	28	74%	2	7%	14	50%
Hold	4	11%	0	0%	3	75%
Sell	0	0%	0	0%	0	0%
Restricted	1	3%	0	0%	1	100%
Under Review	1	3%	0	0%	1	100%
Not Rated	4	11%	0	0%	2	50%
Total	**38**	**100%**				

Coverage Universe: A summary of historic ratings for our coverage universe in the last 12 months is available here.

Analyst Stock Ratings:

Buy:	Based on a current 12-month view of total shareholder return (percentage change in share price to projected target price plus projected dividend yield), we recommend that investors buy the stock.
Hold:	We adopt a neutral view on the stock 12-months out and, on this time horizon, do not recommend either Buy or Sell.
Sell:	Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock.
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