PRODEA INVESTMENTS

GREEN BOND INVESTOR REPORT

JULY 2022

PRO Sustainability
PRO Green Investments
PRODEA Investments

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PRODEA Investments is the leading real estate investment company in Greece.

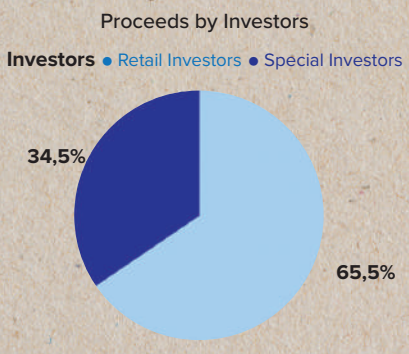
Introduction

PRODEA Investments ("the Company") is the leading real estate investment company in Greece, with total assets exceeding € 2.8bn, and is listed on the Athens Stock Exchange (ATHEX).
PRODEA engages in real estate investments and is internally managed by experienced professionals with proven sourcing, execution and value creation track record as well as portfolio and property management expertise.

PRODEA Investment is presenting its first **Green Bond Report** following the successful issuance of the company's first **Green Bond** in **July 2021**, covering the period from the time of issuance up until **30.06.2022.**

On July 20, 2021, the Company issued a "Green" Common Bond Loan for an amount of **€300mn** with a duration of seven (7) years bearing a fixed interest rate of **2.3% p.a.** The proceeds of the Bond Issue will be used up to **31.12.2024** for **Green Investments**[1] including debt repayment related exclusively to such Green Investments that are outstanding at the time of their completion and for the repayment of an existing lending facility in relation to a sustainable (green) real estate property. The trading of the **300,000 bonds** commenced on **21 July 2021** in the category of fixed income securities of the regulated market of the Athens Exchange.

Issued amount	**€300mn**
Maturity	**7 years**
Pricing Date	**16 July 2021**
Start trading Date	**21 July 2021**
Fixed interest rate	**2.3%**
Listing Exchange	**Athens Stock Exchange – Regulated Market**
Joint Coordinators and Bookrunners	**Piraeus Bank S.A., National Bank of Greece S.A., Alpha Bank S.A. and Eurobank S.A.**
Issue Advisors	**Piraeus Bank S.A., National Bank of Greece S.A.**
ISIN	**GRC5091217D9**



Graph 1: "Allocation by Investor Type"

[1]**Green Investments:** Any investment of the Company and/or the Group related to the acquisition, management and operation of real estate properties and/or participations (according to art. 22 of law 2278/1999 as in force), concluded within the Green Bond Framework.

Green Bond Framework

Sustainability is an integral part of our business; our corporate strategy and business activities are driven by our commitment to sustainable growth, reflected in all our operations, from our investment endeavours to our corporate responsibility initiatives. PRODEA Investments is convinced that Green Bonds are an effective tool to channel investments towards a low carbon economy and climate resilient assets that have environmental benefits and thereby contribute to the achievement of the UN Sustainable Development Goals (SDGs).

Prodea Investments has created its Green Bond Framework[2] in accordance with the Green Bond Principles (GBP), version June 2018[3], drafted by the International Capital Market Association (ICMA) with the aim of issuing Green Bonds with particular focus in financing or refinancing projects which fall into the following areas:

- **Green buildings which meet regional, national or internationally recognized sustainability standards or certifications.**
- **Energy efficient and sustainable buildings.**
- **Green transportation projects.**
- **Renewable energy projects.**

Prior to its first Green Bond Issuance, Prodea engaged ERNST & YOUNG (HELLAS) Certified Auditors - Accountants S.A. (EY) to provide an independent assurance report for the bond issuance which is available on the Company's **website.**

In accordance with its commitment for transparency, the company has prepared this report in order to provide information on the progress made to date with respect to the allocation of proceeds to eligible green projects and the associated impact. All documentation relating to our Green Bond is available on the on the Company's website **(https://prodea.gr/omologiaka-daneia/).**

[2] PRODEA-Green-Bond-Framework.pdf
[3] https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf

Eligibility Criteria

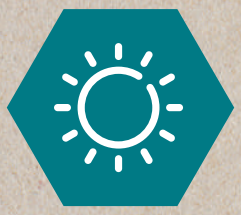
The proceeds of our Green Bond are to be used to finance or refinance projects which are included in our Eligible Green Projects.

The criteria used for the inclusion of properties in the Eligible Green Projects, are in accordance with our commitment to investing in high-quality and environmentally friendly real estate properties and other projects.

1. Green buildings

1.1 Environmentally certified buildings

DESCRIPTION
i) Financing or refinancing of land acquisition and development/ construction of sustainable buildings or acquisition of existing sustainable buildings, that have or will receive (after development) one of the following building certifications at the defined threshold or greater: • **LEED "Silver",** • **BREEAM "Very Good".** **ii)** Financing of acquisition and renovation of existing buildings (including the building's acquisition cost as well as any capital expenditures on the building) in order to receive one of the following building certifications at the defined threshold or greater: • **LEED "Silver",** • **BREEAM "Very Good".**



2. Energy Efficiency

2.1 Residential Buildings

2.2 Commercial/Retail/ Offices/ Hotels

DESCRIPTION

i) Financing or refinancing of land acquisition and development/ construction of energy efficient buildings or acquisition of existing energy efficient buildings, that have or will achieve (after development) energy performance at least equal to nZEB (nearly Zero Energy Buildings) standards[4] (for new buildings EPC rating at least "A" and for existing ones EPC rating at least "B+").

ii) Financing of acquisition and renovation of existing buildings (including the building's acquisition cost as well as any capital expenditures on the building) in order to achieve, in a timeframe of 3 years, at least:

- **For buildings with EPC bellow "C" rating: 25% decrease in primary energy consumption**
- **For buildings with EPC "C" and "B" rating: 15% decrease in primary energy consumption**

2.3 Logistics/Industrial Buildings

DESCRIPTION

i) Financing or refinancing of land acquisition and development/construction of energy efficient logistics and industrial buildings or acquisition of existing energy efficient logistics and industrial buildings that incorporate energy efficiency technologies and systems, above the National energy efficiency minimum requirements[5]. For the purposes of the present framework, energy efficient logistics and industrial buildings are defined the logistics buildings that incorporate at least three of the following: LED lighting, skylights, thermal insulated envelope, energy efficient heat pumps, inverter motors, ventilation with heat recovery, high energy efficient heating/cooling system, high energy efficient refrigeration system, RES systems, smart building and automation systems.

ii) Financing of acquisition and renovation of existing logistics and industrial buildings (including building's acquisition cost as well as any capital expenditures on the logistics building) in order to achieve, in a timeframe of three years, higher energy efficiency performance than the National energy efficiency minimum requirements, through the instalment of at least three of the following: LED lighting, skylights, thermal insulated envelope, energy efficient heat pumps, inverter motors, ventilation with heat recovery, high energy efficient heating/ cooling system, high energy efficient refrigeration system, RES systems, smart building and automation systems.

[4] According to Ministerial Decision 5447/2018, nearly Zero Energy Buildings are characterized all new buildings which have EPC rating at least "A" and all existing ones which have EPC rating at least "B+" (according to the National EPC rating scheme).

[5] According to Energy Performance of Buildings Directive as well as the respective National legislative framework, industrial and logistics buildings are excluded from any minimum energy performance requirement.

3. Green buildings & Energy efficiency

3.1 Energy Efficiency and Sustainability Upgrades

DESCRIPTION
i) Financing or refinancing the implementation of individual or set of energy efficiency and sustainability measures, aiming to reduce the primary energy consumption and improve the sustainability characteristics of our portfolio's buildings.

3.2 Energy Efficient and Sustainable Major Renovations

DESCRIPTION
ii) Financing or refinancing major renovations to our portfolio's buildings, aiming the energy efficiency and sustainability upgrade of the buildings towards the achievement of at least one of the following targets: • **LEED "Silver"** • **BREEAM "Very Good"** • **Energy performance equal to nZEB standard and energy efficiency rating "B+", according to National EPC rating scheme.**

4. Clean Transportation

4.1 Contribution in Public Transport Infrastructure Works

DESCRIPTION
Co-Financing infrastructure works such as train stations, bike roads as well as clean infrastructure for clean energy vehicles close to our portfolio's properties. The projects will target to the CO2 reduction of private vehicles, supporting: i) the modal shift to more sustainable transport modes (public transport - electric trains, bicycles etc.) and ii) the National electrification priority and consequently the replacement of private vehicles with more energy efficient electric ones. The projects will take into account and be in line with the National Policy Priorities (P.P. 1.3, P.P. 2.11, P.P. 3.8) as well as the respective energy and climate measures, as described in the National Energy and Climate Plan (NECP)[6].

[6] https://ec.europa.eu/energy/sites/default/files/documents/el_final_necp_main_el.pdf

5. Renewable Energy

DESCRIPTION

Financing or refinancing of renewable energy production projects such as roof top solar panels. The projects will take into account and be in line with the National priorities as well as the respective energy and climate measures, as described in the National Energy and Climate Plan (NECP).

The net proceeds of the Green Bonds issuance will be used to finance or refinance all the direct and associated costs (technical due diligence, legal expenses, notary fees etc.) of all the above eligible green projects (Eligible categories: 1 to 5).

Process for Project Evaluation and Selection

Eligible Green Projects will remain in the Eligible Green Register for as long as they meet the Eligibility Criteria prevailing at the time of issuance of the Green Bonds, without being affected by subsequent changes to the **Green Bond Framework.** If Eligible Green Projects cease to fulfil the Eligibility Criteria or exit the assets portfolio, the Company will use its best effort to substitute these projects as soon as reasonably practicable, once an appropriate substitution option has been identified. Alternatively, a reallocation of the proceeds to other Eligible Green Projects may also be considered. The **Green Bond Committee** will review the Eligible Green Register annually or earlier if should be deemed necessary.

To ensure the smooth and efficient implementation of its **Green Bond Framework, PRODEA** has established a dedicated **Green Bond Committee ('the Committee').** The Committee consists of representatives from the Investment, Technical and Financial departments of the company (including the inhouse sustainability expert).

The Green Bond Committee:

1. Assesses the use of proceeds raised through green bond issuances in order to ensure that they are channeled into eligible green projects, comply with the Green Bond Principles (June 2018), the United Nations Sustainable Development Goals, the Company's internal policies and best practices as well as with the applicable regulatory framework.

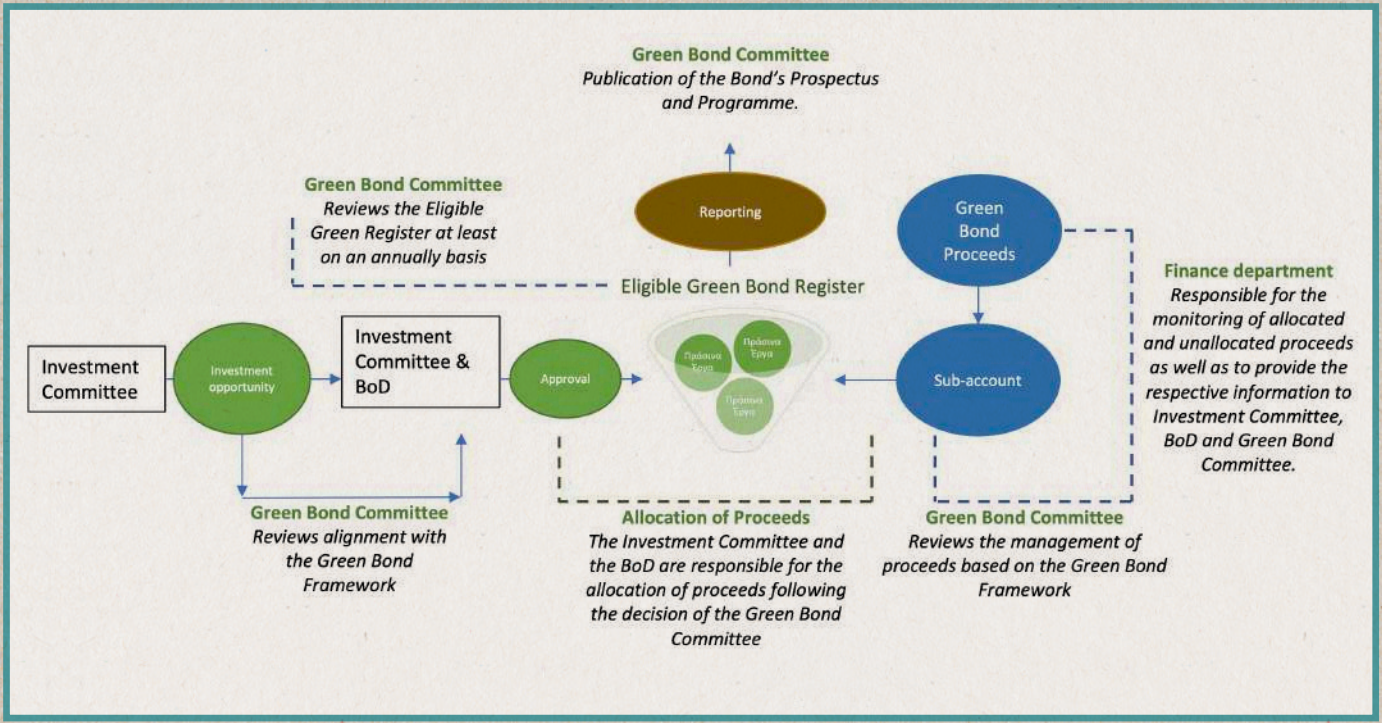
2. Monitors and coordinates:
a. The update and maintenance of the Eligible Green Register
b. The process of management of proceeds in accordance with the present framework
c. The drafting and publication of the Green Bond Investor Report
d. the issuance of the Company's green bonds and the support of the processes in relation to providing information to the investors, in collaboration with the advisors, the green bond assurance providers and the financial institutions

3. Ensures the compliance with the procedures set out in the Framework

4. Follows up the developments in the green bond market and ensures that the Framework is updated as and when appropriate.

Process for Project Evaluation and Selection

Furthermore, the Green Bond Committee supports the work of the Board of Directors and the Investment Committee by confirming the eligibility of the under-examination investment opportunities regarding their compliance with the provisions of “Use of Proceeds” as defined in the Green Bond Framework. The Green Bond Committee provides recommendations for final approval at the level of the Board of Directors or the Investment Committee as applicable.



Eligible Green Projects and Green Bond Register

As at the date of this report, PRODEA's total Eligible Green Register comprises of 13 Eligible Green Projects in Greece, Cyprus and Italy.
Summary of Eligible Green Register

Use of Proceeds (GBF)	Project	Use	Description
1.1: Green Buildings - Environmentally Certified Buildings	Panterra IQ Hub Ourania Kifisias 77	Offices	Office buildings to receive LEED Gold certification
2.3: Energy Efficiency - Logistics/ Industrial Buildings	New metal Thetis Project Logic	Logistics	Energy efficient logistic centers
1.1: Green Buildings - Environmentally Certified Buildings	Piraeus tower Landmark Tower	Mixed Use	Buildings to receive LEED Gold certification
1.1: Green Buildings - Environmentally Certified Buildings	Moxy Athens City	Hotel	Hotel with LEED Gold certification
2.1: Energy Efficiency - Residential Buildings	Project Resi[7] Project Home	Residential	nZEB residential buildings
2.2: Energy Efficiency - Commercial/ Retail/ Offices/ Hotels	Project Cortina	Hotel	Energy efficiency upgrade of existing hotel to be totally refurbished

[7]For Project Resi there are no allocated proceeds yet

Allocation of proceeds

PRODEA's net proceeds from the Green Bond issue in June 2021 were €291.8 million, of which €172.7 million or ca.59.2% have been utilised, as at 30.06.2022, in financing of green projects and repayment of a syndicated bond loan in relation to the investment for the Karela property which has been developed based on the principles of sustainable development and is LEED Gold certified. The remaining unutilised proceeds equal to €119.2 million. The net proceeds of the bond have been allocated as follows:

Summary of use of proceeds

Use of proceeds	Amount in EUR
Total proceeds	**300,000,000.00**
Expenses	-8,173,098.93
Total Net proceeds	**291,826,901.07**
Repayment of syndicated bond loan	-55,977,000.00
Total utilised proceeds for investment projects	-116,689,572.90
Total utilised proceeds	**-172,666,572.90***
Total remaining proceeds	**119,160,328.17**

*It is noted that the amount of €172.7 million does not include an amount of €672 thousand which has been utilised to a project that, subsequently to 30.06.2022 and before the issuance of this report has been cancelled.

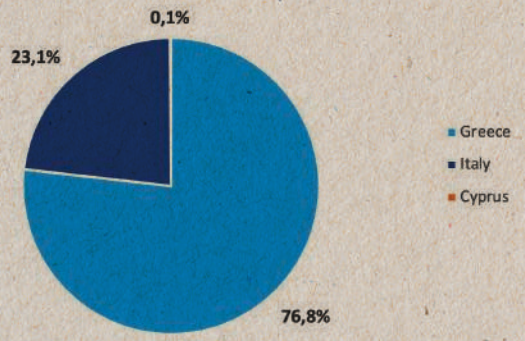
The green projects which have been financed by the utilised proceeds are analysed in the table below:

	Project	Utilised amount of proceeds	% out of utilised amount of proceeds for investment projects	Country	Mapping with use of proceeds	Status
1	Panterra	37.641.175,04	32.3%	Greece	1.1: Green Buildings - Environmentally Certified Buildings	In progress
2	New Metal	6.534.365,12	5.6%	Greece	2.3: Energy Efficiency - Logistics/ Industrial Buildings	Completed*
3	Piraeus Tower	1.050.522,00	0.9%	Greece	1.1: Green Buildings - Environmentally Certified Buildings	In progress
4	Thetis	1.650.306,75	1.4%	Greece	2.3: Energy Efficiency - Logistics/ Industrial Buildings	In progress
5	IQ Hub	3.087.402,00	2.6%	Greece	1.1: Green Buildings - Environmentally Certified Buildings	In progress
6	Ourania	2.565.120,00	2.2%	Greece	1.1: Green Buildings - Environmentally Certified Buildings	In progress
7	Moxy Athens City	182.256,00	0.2%	Greece	1.1: Green Buildings - Environmentally Certified Buildings	Completed*
8	Landmark Tower	123.591,37	0.1%	Cyprus	1.1: Green Buildings - Environmentally Certified Buildings	In progress
9	Kifisias 77	14.100.101,96	12.1%	Greece	1.1: Green Buildings - Environmentally Certified Buildings	In progress
10	Project Logic	6.609.901,83	5.7%	Greece	2.3: Energy Efficiency - Logistics/ Industrial Buildings	In progress
11	Project Cortina	26.988.032,00	23.1%	Italy	2.2: Energy Efficiency - Commercial/ Retail / Offices/ Hotels	In progress
12	Project Home	16.156.798,83	13.8%	Greece	2.1: Energy Efficiency - Residential Buildings	In progress
	Total Utilised proceeds for financing projects	116.689.572,90	100%	-	-	-

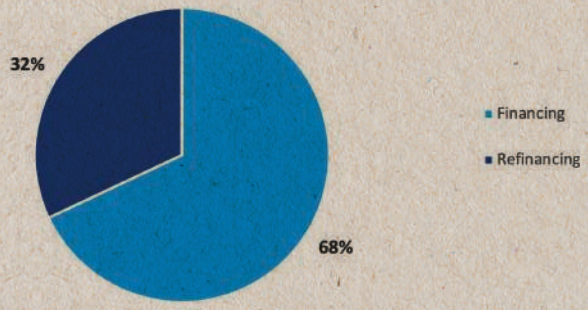
* Additional payments, amounting to a total of ca €10m, to be drawn from the Green bond's proceeds in H2 2022, are pending for these investments.

In the graphs, the utilisation of proceeds per country, per eligible category and per allocation type is presented. In parallel, the percentage of the already allocated amount is presented compared with the unallocated.

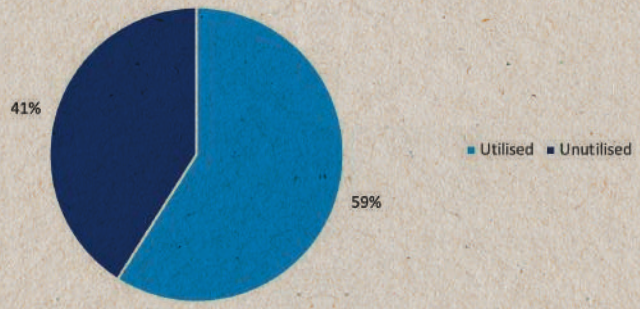
Utilised proceeds by Country



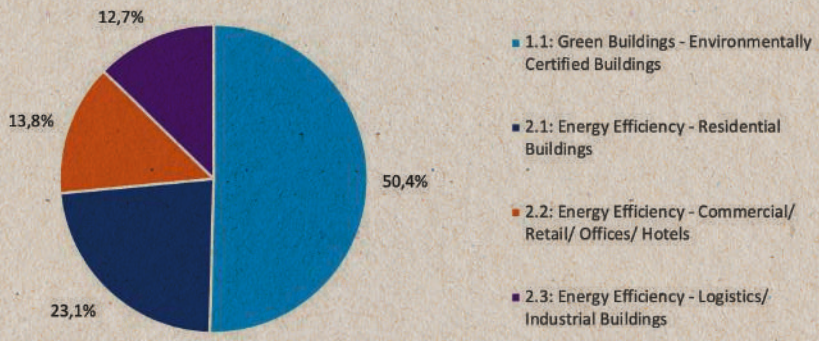
Utilised proceeds by Type



Utilisation by Proceeds



Eligible Category by Utilised Proceeds



Impact indicators

The expected impact of the 13 Eligible Green Projects which constitute PRODEA's Eligible Green Register is presented in the table below.

Category 1.1: Green Buildings - Environmentally Certified Buildings

Project	Area (sqm)	Use	Metric of expected Impact
Panterra	30.900	Offices	LEED Certified at "Gold" Level
Piraeus tower	34.600	Mixed use	LEED Certified at "Gold" Level
IQ HUB	14.300	Offices	LEED Certified at "Gold" Level
OURANIA	30.600	Offices	LEED Certified at "Gold" Level
Moxy Athens City	10.300	Hotel	LEED Certified at "Gold" Level (already achieved)
Landmark Tower	26.300	Mixed use	LEED Certified at "Gold" Level
Kifisias 77	17.200	Offices	LEED Certified at "Gold" Level
Total	164.200		

Category 2.1: Energy Efficiency - Residential Buildings

Project	Area (sqm)	Use	Metric of expected Impact
Project Resi	2.800	Residential	nearly Zero Energy Residential Buildings (EPC rating at least "A")
Project HOME	12.500	Residential	nearly Zero Energy Residential Buildings (EPC rating at least "A")
Total	**15.300**		

Category 2.2: Energy Efficiency - Commercial/ Retail/ Offices/ Hotels

Project	Area (sqm)	Use	Metric of expected Impact
Project Cortina	11.600	Hotel	primary energy intensity reduction of 270 kWh/m2

Category 2.3: Energy Efficiency - Logistics/ Industrial Buildings

Project	Area (sqm)	Use	Metric of expected Impact
New metal	23.950	Logistics	23.950 sqm of energy efficient logistics building[8]
Thetis	58.300	Logistics	58.300 sqm of energy efficient logistics building
Project Logic	41.000	Logistics	41.000 sqm of energy efficient logistics building
Total	**123.250**		

[8]As defined in PRODEA Green Bond Framework (June 2021)

Case Studies

Pantera Project Greece.

“Panterra” project is a modern, sustainable and high-quality office complex in Athens CBD. The complex, designed by the international office Barnett Associates, consists of two autonomous and functionally independent buildings. “Panterra” office complex has a total gross building area (GBA) of 30.900 sqm including ca.17,000 sqm of high-quality office space and 282 parking spaces over 7 floors above ground and four underground levels. Building A was completed in Q2 2022 and has been sold to Generalli Hellas to be used as its Athens HQs, while Building B is expected to be completed in Q4 2022. The office complex is prime located on Syggrou Avenue, in close proximity to the center of Athens, enjoying high visibility and excellent accessibility.

The office complex is expected to receive a LEED Gold Certification.

New Metal Project Greece.

“New Metal” project is a new-built logistics park developed in phases and comprised of two energy efficient logistics buildings located in Aspropyrgos, the most prime area of Western Attica. The project was completed in Q2 2022 and offers 23.950 sqm Grade A logistics area with the latest specs.

New Metal is fully leased to a creditworthy tenant with a WAULT of 7.5 years.

Piraeus Tower Greece.

“Piraeus Tower” project is the re-development of a landmark tower in the area of the port of Piraeus, the largest port in the southeastern Mediterranean region. The re-development of the building is being executed through a joint venture with DImand S.A. and the European Bank for Reconstruction & Development where PRODEA holds 30% ownership.
“Piraeus Tower” will be re-developed into a 34.600 sqm modern, sustainable, 22-storey office tower, including two basements, retail, restaurants, café and auxiliary spaces, with a green roof, using high technology materials.

The project is estimated to be completed in Q4 2023. Piraeus Tower will be the first LEED Gold certified Tower in Greece.

Thetis
Greece.

“Thetis” project is one of the largest new-built logistics hub comprised of four independent energy efficient buildings located in Aspropyrgos, the most prime area of Western Attica. “Thetis” consists of 58.300 sqm Grade A logistics area with the latest specs and will be fully leased to AAA tenants upon completion.

The project is estimated to be completed in Q3 2022.

Ourania
Project
Greece.

This Grade A modern office complex will consist of four autonomous office buildings in Thessaloniki. The office complex will have a total GBA of 30.600 sqm including ca.20.000 sqm high-quality offices and 238 parking spaces over 5 floors and one underground level. The project is estimated to be completed in Q4 2023.

The office complex is expected to receive LEED Gold Certification.

IQ HUB Project Greece.

“IQ HUB” is a state-of-the-art green office building in Maroussi’s business district, consisting of 3 levels above ground with 3 wings with a total GBA of 14.300 sqm including ca.8.000 sqm energy sustainable offices and 187 parking spaces.

The building is primely located in Maroussi, one of the most established office markets in the Attica region, offering excellent accessibility as it situated next to Metro Station “Neratziotissa”. The building has 100% pre-let to Kaizen Gaming and is estimated to be completed in Q3 2022.

The office building is expected to receive LEED Gold Certification.

Moxy Athens City Project Greece.

“Moxy Athens City” by Marriott is the result of a regenarated office building (Sarogleio Megaro) to a brand-new modern city hotel, Moxy Athens City, in the historical center of Athens. The hotel has a total GBA of ca.10.300 sqm and 200 keys. It is strategically located in Omonoia Square, by Stadiou and Athenas Streets, enjoying high visibility and excellent accessibility. The project was completed in Q2 2022.

Moxy Athens City is the first LEED GOLD certified hotel in Greece.

Kifissias 77 Project Greece.

“Kifisias 77” project is a new “green” Grade A office complex development in Maroussi. The office complex will have a total GBA of ca.17.200 sqm including ca.10.000 sqm high-quality offices and 250 parking spaces. The asset is prime located in Marousi, one of the most established office markets of Attica region, and it offers excellent accessibility, situated just 100m from “Attica Ring Road Exit 11: Olympic Station/Kifisias Avenue”. The project is estimated to be completed in Q3 2025.

The office complex is expected to receive LEED Gold Certification.

Project Resi Greece.

“Project Resi” is a high-end residential complex development of approx. 2,800 sqm in a land plot area of 2.555 sqm in Elliniko. The asset is strategically located at a prime location, adjacent to the project of Ellinikon and close to Alimos Marina. The building will be high energy efficient achieving at least the nearly Zero Energy Buildings thresholds.

The project is estimated to be completed in Q4 2024.

Landmark Tower Cyprus.

“Landmark Tower” project is a newly developed office tower which will be constructed in the adjacent plot of the Landmark Hotel in Nicosia, Cyprus. “Landmark Tower” will be of high-quality, probably the best and most modern office building in Cyprus with total GBA of 26.300 sqm. The project is estimated to be completed in Q2 2024.

The office tower is expected to receive LEED GOLD Certification.

Project Logic Greece.

“Logic” project is a new logistics park development in Aspropyrgos, the most prime area of Western Attica, expected to be delivered in Q4 2024. The property will be developed by Prodea, and on completion will offer 41.000 sqm of high-quality energy efficient logistics area in a land plot of 110.600 sqm.

Project Home Greece.

“Home” project is a portfolio of brand-new residential development projects in Attica region. Currently, nine greenfield projects are under development in the framework of “Home” portfolio. The plots are located across Attica having a total gross sales area of ca. 12.500 sqm.

Project completion will take place progressively over the next 2 years (up to Q2 2024).

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