Milan, 21 July 2025

European Equity Research – New Coverage

PREATONI GROUP

BUY

Sector: Hospitality & Real Estate

Price: Eu41.00 - **Target: Eu51.20**

Global Hospitality and Real Estate Success, Italian-Style

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Stock Rating	
Rating:	BUY (New Coverage)
Target Price (Eu):	51.20 (New Coverage)

Stock Data			
Reuters code:			MLPRG.PA
Bloomberg code:			MLPRG FP
Performance	**1M**	**3M**	**12M**
Absolute	n.a.	n.a.	n.a.
Relative	-2.0%	-11.9%	
12M (H/L)			41.00/41.00
3M Average Volume (th):			0.00

Shareholder Data	
No. of Ord shares (mn):	
Total no. of shares (mn):	9
Mkt Cap Ord (Eu mn):	
Total Mkt Cap (Eu mn):	
Mkt Float - Ord (Eu mn):	n.a.
Mkt Float (in %):	0.0%
Main Shareholder:	
Famiglia Preatoni	93.2%

Balance Sheet Data	
Book Value (Eu mn):	179
BVPS (Eu):	20.31
P/BV:	2.0
Net Financial Position (Eu mn):	-72
Enterprise Value (Eu mn):	433

Preatoni Group is an international holding company with a solid footprint in Europe, the Middle East and the Baltics. The Group operates in Hospitality & Tourism (H&T - >70% of consolidated 2024 revenues) and Real Estate Development (RED - c.30% of cons. 2024 revenues, ~250,000m² of buildable land). In early 2025, it made its debut on the Euronext Access+ market in Paris. We forecast 2024-32E EBITDA and EPS CAGRs of +60% and over 80% respectively. Target Price Eu51.2 per share, potential upside ~25%, BUY.

- **Opportunities in Key Markets.** Real estate development in Baltic countries is growing rapidly, especially in the medium-high /premium residential segment, with a 10-year CAGR of 7-10%. The hotel segment in Italy/ Germany is also showing healthy growth trends (2023-27 CAGR +3%). Finally, there were record numbers of tourists in Egypt in 2024 (15.7mn, +5.5% YoY), following a 2020-23 CAGR of +60%.
- **2024, Transition to Paris Access+.** In 2024, the company posted Eu67mn in revenues (from Eu71mn in 2023). In RED, focus is on projects that are expected to generate revenues in 2025-26 (ProKapital top line +300% YoY in 1Q25). Hospitality & Tourism shows resilience in an unfavourable macroeconomic/geopolitical scenario, occupancy rate rising to 87%.
- **Estimated 2024-32E CAGRs:** revenues +19%, EBITDA +60%, EPS +80%. For the RED BU (Baltics) we estimate a +26% revenue CAGR, assuming average annual sales of 14,900m², at an average price of ~Eu5,200/m². Cumulative turnover is forecast at ~Eu640mn at the end of the plan, with a Gross Margin >30%, cumulative EBITDA of >Eu170mn and an average margin of c.26%. For the H&T business unit (incl. Parkhotel Kurhaus) we forecast a +15% revenue CAGR, primarily benefiting from the investment plan (c.Eu30mn cumulative) for expansion/upgrade of hotels and resorts. Gross Margin forecast at c.40%, with strong EBITDA growth at a +70% CAGR. Group net debt/EBITDA expected below 1x as of 2028.
- **Creativity, innovation and a vocation for growth.** Management's strong propensity for innovation and solid track record of success lay the foundations for seizing future growth opportunities. A rich pipeline of new projects and strategic initiatives (e.g. the "D Club" offer, "Made in Italy" hospitality), makes the equity story an attractive prospect.
- **BUY; target Eu51.2, +25% upside +25%.** Our equity value for Preatoni Group is based on a sum of the parts (SOTP) model. We value the two business lines using DCF models (RED - WACC 8.2%, g 0%; H&T - WACC 8.8%, g 3.5%) and the pipeline of real estate projects (i.e. "Palazzo Preatoni" in Dubai and "Mastaba" in Egypt) by discounting back the production surplus (NPV, WACC 10%). Adjusting for the net debt/costs of the holding company, financial assets and minorities, we reach a fair equity value of Eu450.8mn for the group. Our valuation reflects 25% of potential upside vs. the current market capitalisation. We initiate coverage of Preatoni Group with a BUY recommendation and a Target Price of Eu51.2 per fully-diluted share.

Key Figures & Ratios	2024A	2025E	2026E	2027E	2028E
Sales (Eu mn)	67	106	132	143	168
EBITDA Adj (Eu mn)	2	22	30	35	43
Net Profit Adj (Eu mn)	-15	10	16	17	21
EPS New Adj (Eu)	-1.665	1.181	1.769	1.879	2.410
EPS Old Adj (Eu)					
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj		19.7	13.9	11.6	9.1
EV/EBIT Adj		21.9	15.1	12.6	9.8
P/E Adj	nm	34.7	23.2	21.8	17.0
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	44.6	3.3	2.0	1.3	0.7

PREATONI GROUP – Key Figures						
Profit & Loss (Eu mn)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Sales	71	67	106	132	143	168
EBITDA	19	2	22	30	35	43
EBIT	9	-10	20	28	32	40
Financial Income (charges)	-8	-5	-8	-8	-8	-8
Associates & Others	-0	-1	0	0	0	0
Pre-tax Profit	1	-15	12	20	25	31
Taxes	-0	-2	0	-2	-5	-7
Tax rate	-43.1%	-14.7%	0.0%	-11.6%	-22.0%	-22.1%
Minorities & Discontinued Operations	1	2	-2	-2	-3	-3
Net Profit	1	-15	10	16	17	21
EBITDA Adj	19	2	22	30	35	43
EBIT Adj	9	-10	20	28	32	40
Net Profit Adj	1	-15	10	16	17	21
Per Share Data (Eu)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Total Shares Outstanding (mn) - Average	9	9	9	9	9	9
Total Shares Outstanding (mn) - Year End	9	9	9	9	9	9
EPS f.d	0.147	-1.665	1.181	1.769	1.879	2.410
EPS Adj f.d	0.147	-1.665	1.181	1.769	1.879	2.410
BVPS f.d	24.788	19.140	20.305	22.050	23.905	26.283
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Gross Cash Flow	9	8	14	20	22	28
Change in NWC	4	-8	-5	-6	-1	-8
Capital Expenditure	-6	-5	-2	-2	-4	-5
Other Cash Items	0	0	8	-2	-1	0
Free Cash Flow (FCF)	8	-6	7	13	17	15
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	8	-6	15	10	16	15
Balance Sheet (Eu mn)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Total Fixed Assets	330	280	272	274	276	277
Net Working Capital	26	35	40	45	47	55
Long term Liabilities	-31	-31	-31	-31	-31	-31
Net Capital Employed	325	284	281	289	292	302
Net Cash (Debt)	-75	-87	-72	-61	-45	-30
Group Equity	250	197	209	227	247	271
Minorities	32	29	31	33	36	40
Net Equity	218	169	179	194	211	231
Enterprise Value (Eu mn)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Average Mkt Cap			361	361	361	361
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-75	-87	-72	-61	-45	-30
Enterprise Value			433	422	406	392
Ratios (%)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
EBITDA Adj Margin	26.8%	2.9%	20.6%	23.1%	24.4%	25.5%
EBIT Adj Margin	12.3%	nm	18.6%	21.2%	22.6%	23.8%
Gearing - Debt/Equity	30.0%	44.0%	34.2%	26.9%	18.4%	11.2%
Interest Cover on EBIT	1.1	nm	2.6	3.7	4.1	4.7
Net Debt/EBITDA Adj	3.9	44.6	3.3	2.0	1.3	0.7
ROACE*	2.6%	-3.3%	7.0%	9.8%	11.2%	13.4%
ROE*	0.6%	-7.6%	6.0%	8.4%	8.2%	9.6%
EV/CE			1.5	1.5	1.4	1.3
EV/Sales			4.1	3.2	2.8	2.3
EV/EBITDA Adj			19.7	13.9	11.6	9.1
EV/EBIT Adj			21.9	15.1	12.6	9.8
Free Cash Flow Yield			4.2%	2.9%	4.4%	4.1%
Growth Rates (%)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Sales	72.2%	-38.1%	-5.9%	58.5%	23.8%	8.9%
EBITDA Adj	nm	-24.8%	-89.8%	1026.5%	38.6%	15.4%
EBIT Adj	nm	nm	nm	nm	41.5%	16.0%
Net Profit Adj	nm	nm	nm	nm	49.8%	6.3%
EPS Adj			nm	nm	49.8%	6.3%
DPS						

*Excluding extraordinary items   Source: Intermonte SIM estimates

Indice

We confirm that our study contains:

- Historical data extracted from documents already published and available on the websites of the Preatoni Group and ProKapital Grupp.
- Estimates and projections developed by us, based on independent assumptions made during the company's analysis for each of its two divisions: Hospitality & Tourism and Real Estate Development.

Preatoni Group in Brief

Company Profile

PREATONI Group SA, founded by Ernesto Preatoni in 1993 and based in Paris, is an international holding company specialising in the ownership and management of accommodation facilities (Hospitality division – H&T) and in the development of residential and commercial properties (Real Estate Development division - RED) through its subsidiary AS Pro Kapital Grupp (49.62% owned, consolidated line-by-line) which is listed on the Nasdaq Baltic Stock Exchange in Tallinn. The Group's H&T activities are carried out in Egypt, Italy and Germany, while RED division operations are concentrated in the Baltic States and Dubai.

Management

Supervisory Board

Chairman: Ernesto Preatoni

Vice-Chairman: Pierre Ducret

Independent Member: Chantal Burger

Independent Member: Vanessa Ruffini

Executive Board

Chairman: Patrick Werner

CFO: Patrick Giffaux

Member: Oscar Crameri

Shareholders

Preatoni Family	93.21%
Others	6.79%

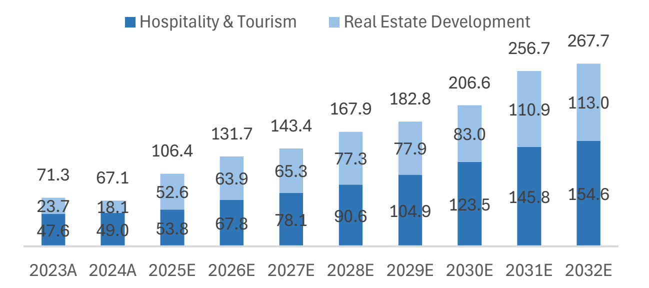
Strengths / Opportunities:

- Expertise of highly experienced management team
- Excellent market positioning in hospitality, resorts and prestigious hotels with demand expected to grow
- Competitive advantage in the Real Estate Development division deriving from the stock of building areas owned
- Growing residential and commercial demand in Baltic countries
- Increasing trends for experiential and wellbeing tourism

Weaknesses / Threats

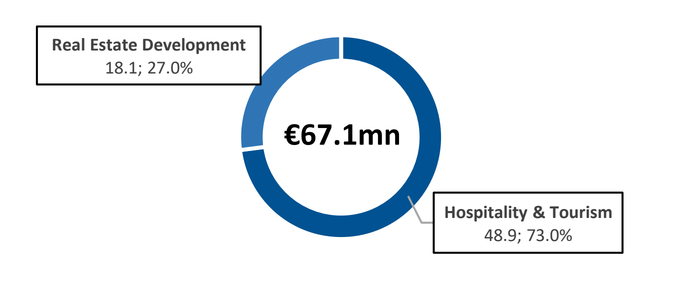
- Risks related to fluctuations in the real estate market
- Low market capitalisation
- Growing competition from international groups in luxury tourism
- Business exposure to geopolitical tensions
- Proprietary real estate becoming dated
- Rising interest rates for real estate development activity

Preatoni Group – 2023A-2032E Revenues by Line of Business (€ mn)



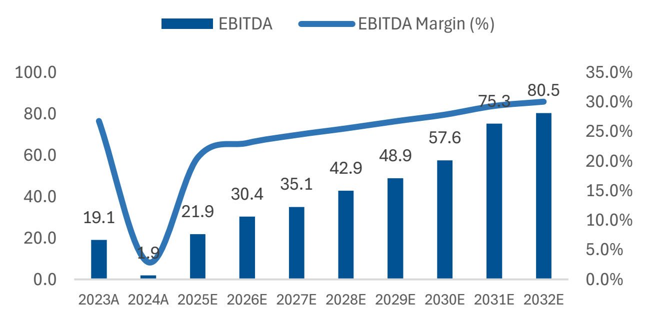
Source: Websim Corporate

Preatoni Group – 2024 Revenue Breakdown by Line of Business (%)



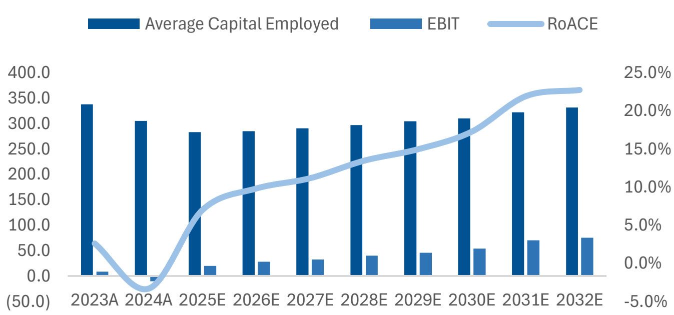
Source: Websim Corporate

Preatoni Group – 2023A-2032E EBITDA (€ mn) & EBITDA Margin (%)



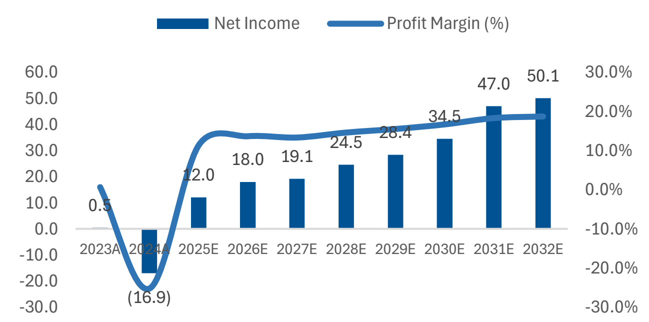
Source: Websim Corporate

Preatoni Group – 2023A-2032E RoACE (%)



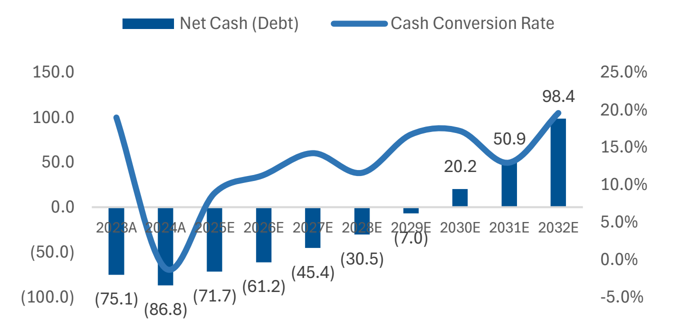
Source: Websim Corporate

Preatoni Group – 2023A-2032E Net Income (€ mn) & Profit Margin (%)



Source: Websim Corporate

Preatoni Group – 2023A-2032E Net Cash (Debt) (€ mn) and CCR (%)



Source: Websim Corporate

Company Description

Summary: The Preatoni Group Today

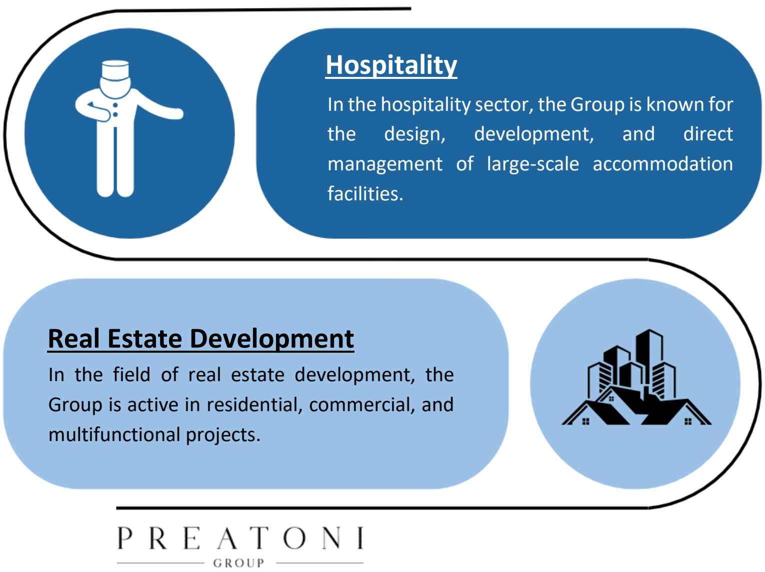
The **Preatoni Group** is an international operator based in Paris. It was founded by Ernesto Preatoni in 1974. Specialising in the **hospitality and real estate development sectors**, the Group has built its reputation through high-impact projects in Europe, the Middle East and the Baltics.

Its best-known achievements include the **Domina Coral Bay in Sharm el-Sheikh**, one of the largest resorts in the region, and the **Preatoni Tower** in **Dubai**, a symbol of its expansion in the international real estate market. In February 2025, the Preatoni Group **debuted on the Stock Exchange** by listing on **Euronext Access+ in Paris**, thus consolidating its presence on the European financial scene.

The group's activities are mainly divided into two areas: the management of tourist facilities and real estate development:

- **Hospitality & Tourism (H&T), c.73% of revenues in 2024.** In the hotel sector, the Group is known for the **design, development and direct management** of large-scale hotel facilities. In **Egypt**, the Group owns the Domina Coral Bay resort in Sharm el-Sheikh. It is one of the largest resorts in the region, and includes numerous hotels, private residences, wellness centres and integrated leisure services. In **Italy**, the Group owns and manages i) the **Domina resort in Zagarella**, near Palermo, partly managed on a timeshare basis; ii) the business-oriented **Domina Fiera Milan** hotel in Novate Milanese; iii) **Domina Borgo degli Ulivi Residence** in Gardone Riviera, Lake Garda, containing 27 timeshare apartments.
- **Real Estate Development (RED), c.27% of 2024 revenues.** In the real estate development field, the Group is involved in **residential, commercial and multifunctional projects**. In particular, it has a strong presence in the Baltic countries (Estonia, Latvia and Lithuania), through **ProKapital Grupp**, which specialises in the development of residential neighbourhoods and medium and high-end housing. The Group has a substantial reserve of buildable land across **Tallinn, Riga and Vilnius** (~250,000m^2). ProKapital boasts more than thirty years of experience with developments covering more than 300,000m^2: its most promising current projects include the development and improvement of the **Kalaranna District in Tallinn**, a total of 362 apartments generating over Eu130mn of revenues. In addition, we highlight (i) the (renamed) **Preatoni Tower JLT** project in Dubai, taken on by the Group in 2014 and delivered in 2018: a skyscraper of close to 200m consisting of 554 units, intended for both residential and commercial use; ii) the **Palazzo Preatoni** project, which involves the redevelopment of a tower with a marketable area of about 40,000 m^2, for mixed use, with anticipated delivery within the next few years. In **Germany**, in Bad Kreuznach (a spa town), through Pro Kapital Grupp Preatoni manages **PK Parkhotel Kurhaus** Bad Kreuznach, a hotel that is both tourist and business-oriented.

Preatoni Group – Business Lines

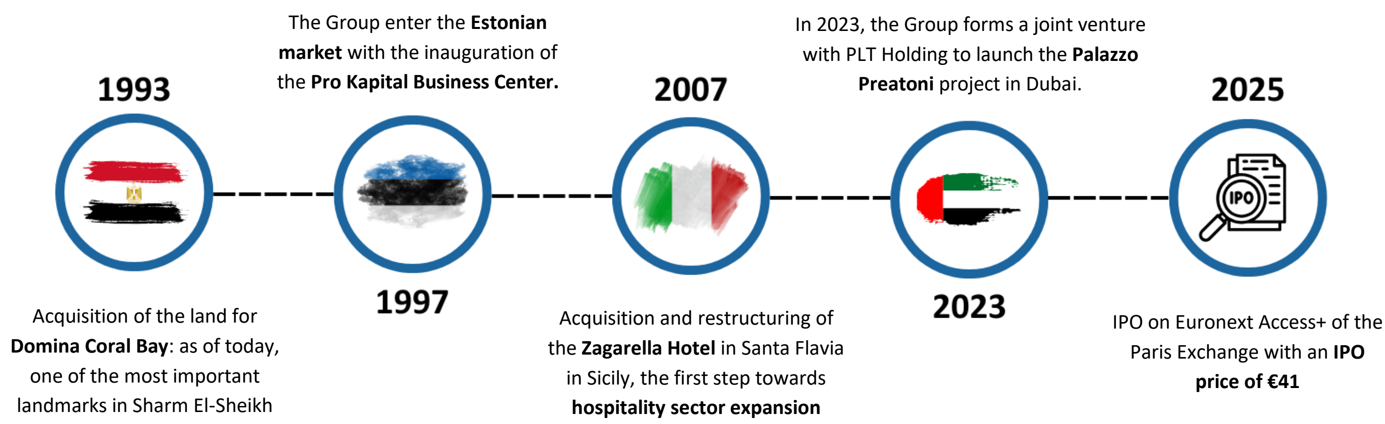


Source: Websim Corporate on Company data

Preatoni Group: a True Success Story

The group's development process got underway with an **entrepreneurial initiative in the 1980s**, which blossomed into the creation of a genuine international group that stands out for **innovation and excellence** in project management.

Preatoni Group – Group Milestones



Source: Websim Corporate on Company Data

After initially operating in the real estate and financial sector in Italy, **the official creation of the Preatoni Group came in 1993**, when the founder and current Supervisory Board Chairman, Ernesto Preatoni, identified and bought an area of completely desert land, where he proceeded **to build a major tourist centre**. The following year, the Group opened the **Domina Coral Bay** complex, which now includes seven five-star hotels with over 1,000 rooms.

Preatoni Group – Geographic Footprint

Source: Websim Corporate on Company data

In 1996, the Preatoni Group began a **major expansion in Estonia**, acquiring several strategic areas that led, the following year, to the inauguration of the Baltic project: the **ProKapital Business Center** in Tallinn. In 1999, the Group further consolidated its vocation for commercial developments with the opening of the **Kristiine Keskus**, a shopping centre of almost 70,000m², again in the Estonian capital.

It laid the foundations for operating in the hospitality sector towards the end of the 1980s, with the creation of **Domina Vacanze**. The first real step towards expansion in the hotel sector **came in 2007**, however, with the **acquisition and renovation of the historic Zagarella hotel** in Santa Flavia, Sicily. This was followed in 2010 by the opening of **Domina Fiera Milan**.

In **2016**, the Preatoni Group officially launched the **"Preatoni Tower" project in Dubai.** Then, in 2023, the Group formed a joint venture with PLT Holding to launch the "Palazzo Preatoni" project. Located in the Jumeirah Lake Towers district, this building boasts a commercial area of approximately 40,000m² and was first announced and confirmed in 2020.

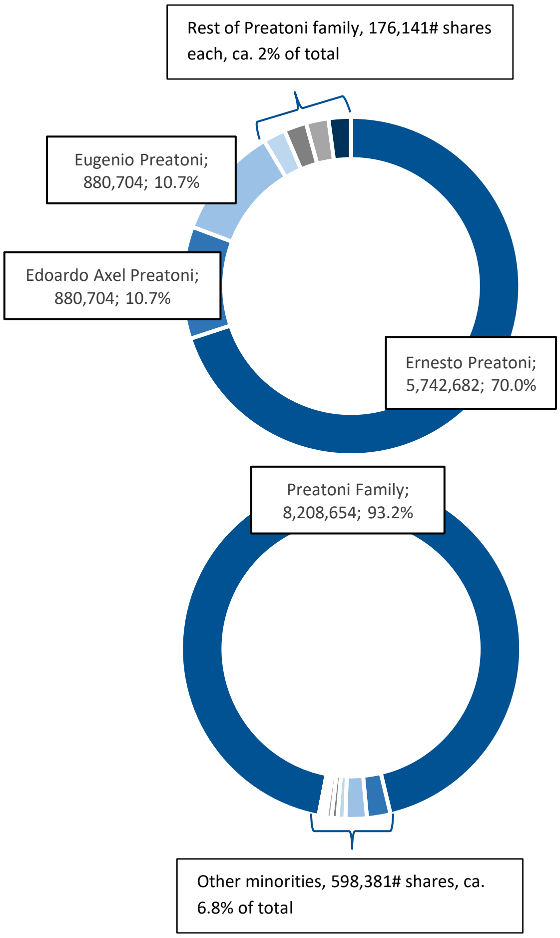
Finally, in **2025**, the Preatoni Group floated on the **Euronext Access+ segment of the Paris Stock Exchange**, with an IPO price set at Eu41 per share, and an overall **valuation of approximately Eu360mn**, further consolidating its international status.

Company Management and Structure: Underpinned by Experience

The Preatoni Group share capital amounts to **Eu361,088,435** and is divided into **8,807,035** shares with a par value of Eu41 each. The breakdown of the shareholding is shown below:

Preatoni Group – Shareholder Structure

	Ownership		
Shareholders	# of Shares	% on Preatoni Family	% on Total
Ernesto Preatoni	**5,742,682**	**70.0%**	**65.2%**
Edoardo Axel Preatoni	880,704	10.7%	10.0%
Eugenio Preatoni	880,704	10.7%	10.0%
Greta Preatoni	176,141	2.1%	2.0%
Roberto Rangoni Preatoni	176,141	2.1%	2.0%
Ingtid Preatoni	176,141	2.1%	2.0%
Marco Fabio Preatoni	176,141	2.1%	2.0%
Preatoni Family	**8,208,654**	**100%**	**93.2%**
Sergio Grandi	197,267		2.2%
Giancarlo Rossi	179,074		2.0%
Letizia Pappalardo	65,512		0.7%
Paola Cerri	49,307		0.6%
Giorgio Angiolini	44,621		0.5%
Renato Bullani	27,000		0.3%
ENCOFIN Srl	14,926		0.2%
Maria Adelaide Cassani	20,650		0.2%
Patrick Werner	24		0.0%
Other Shareholders	**598,381**		**6.8%**
Total	**8,807,035**		**100%**



Source: Websim Corporate on Company Data

As shown above, **Ernesto Preatoni controls 93.2% of the voting rights**, if we combine the directly-owned shares and his right of use on the shares held by each of his children (corresponding to 28% of the share capital). This also includes 731,708 shares (corresponding to 8.3% of the capital) belonging to Ernesto Preatoni Cpte Nanti OSB, a company directly attributable to the founder.

We also highlight that **Edoardo Axel Preatoni and Eugenio Preatoni** (who respectively head up the Group's **Real Estate Development** and **Hospitality & Tourism** divisions), each own 10% of the share capital, while the other 4 children own 2%. The remaining **6.8% belongs to 9 shareholders**, including a small shareholding for Patrick Werner, currently Chairman of the group's Board of Directors.

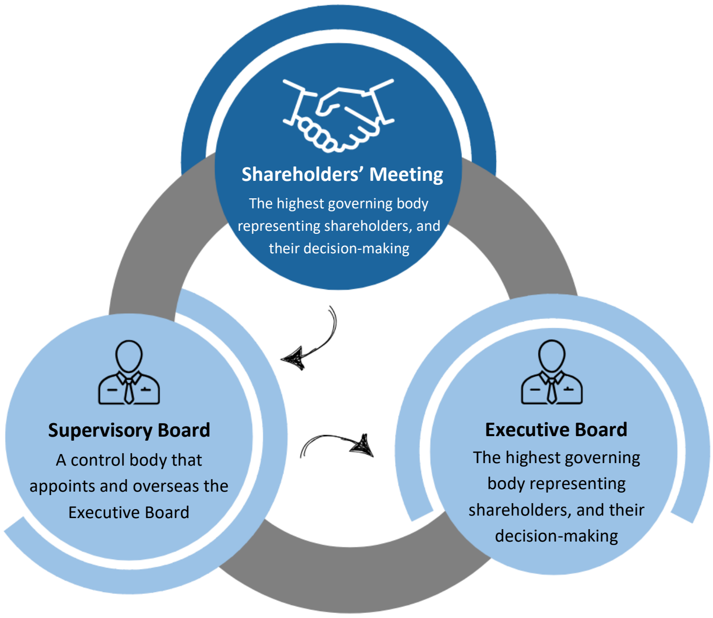
Governance and Senior Management

We note that the governance of French companies, such as the Preatoni Group, differs from the traditional Italian model. Specifically, the Group has a **dualistic governance model**, with two distinct bodies, (i) the **Management Board** (*Directoire*) and the **Supervisory Board** (*Conseil de Surveillance*).

In Italian companies, the traditional model involves a **Board of Directors (BoD)**, appointed directly by shareholders, that manages the company, with a **Board of Statutory Auditors** to oversee the legality of management's actions. In this system, shareholders play a key role: (i) they appoint directors, (ii) approve the financial statements and (iii) indirectly control the company.

In contrast, the **dualistic model**, inspired by the German system but also used in France, entrusts management of the company to a **Management Board**, with the control function exercised by a **Supervisory Board** that has more powers than a traditional Board of Statutory Auditors. The Supervisory Board can appoint and fire managers, approve financial statements and intervene on strategy.

Preatoni Group – Dualistic Model of Governance



Source: Websim Corporate on Company data

Below are the key figures in the governance of the Preatoni Group.

The Management Board (*Directoire*)

Pursuant to the articles of association, the body may be composed of a maximum of 5 members, with an age limit set at 80. The members are **appointed by the Supervisory Board** (*Conseil de Surveillance*) with a maximum term of 4 years. Members of the Executive Committee may be re-elected.

- **Patrick Werner – Chairman.** Patrick Werner graduated from the Institut d 'Études Politiques (IEP) in Paris and attended the École Nationale d 'Administration (ENA). In 1976 he held the role of General Finance Inspector (Inspecteur Générale des Finances). In 1980 he joined the Caisse des Dépôts et Consignations (the French sovereign investment bank) as Head of Internal Audit. He subsequently became a member of the Executive Committee and Chief Executive Officer of the C3D Group (Caisse des Dépôts Développement). In 1991 he was appointed Managing Director of the Victoire insurance group. From 1996 to 1998 he served as General Delegate and subsequently as Vice-President of the French Federation of Insurance Companies (Fédération Française des Sociétés d 'Assurances - FFSA). At the end of 1999 he joined the La Poste group as Deputy General Manager, tasked with creating La Banque Postale. This bank was founded on 1 January 2006, and Patrick Werner was made Chairman of the Executive Committee; under his leadership, the bank grew significantly through the expansion of its activities. He was also a member of the Executive Committee of the French Banking Federation (Fédération Bancaire Française), chairing its Compliance Committee. Appointed CEO of Gras Savoye in 2011, in 2014 he founded ARUM Gestion Privée, a wealth management consulting firm, and ARUM International. In June 2022 he joined the Group as Chairman of the Management Board. His term of office ends in 2026.

- **Patric Giffaux – Board member & CFO.** Patrick Giffaux is a graduate of Paris Dauphine University, majoring in accounting and auditing. He began his career in the Gendrot Group, becoming a partner in 1989, the year in which the group became part of the BDO Global international network, which he subsequently co-directed. At the end of 2006, BDO entrusted him with the right to use the BDO trademark in France, with the aim of creating a multidisciplinary structure of such size and reputation as to become the fifth worldwide network for auditing and consulting in France. In 2008 he founded BDO France together with Michel Léger, former head of Arthur Andersen, and Vincent Baillot, President of the National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes). Appointed Executive Director and subsequently a Supervisory Board member, Patrick Giffaux left BDO France in 2021 before joining the Group in June 2022. His term of office ends in 2026.

Preatoni Group – Supervisory Board Members

Patrick Werner	**Patric Giffaux**	**Oscar Crameri**
President	*Member & CFO*	*Member*

Source: Websim Corporate on Company data

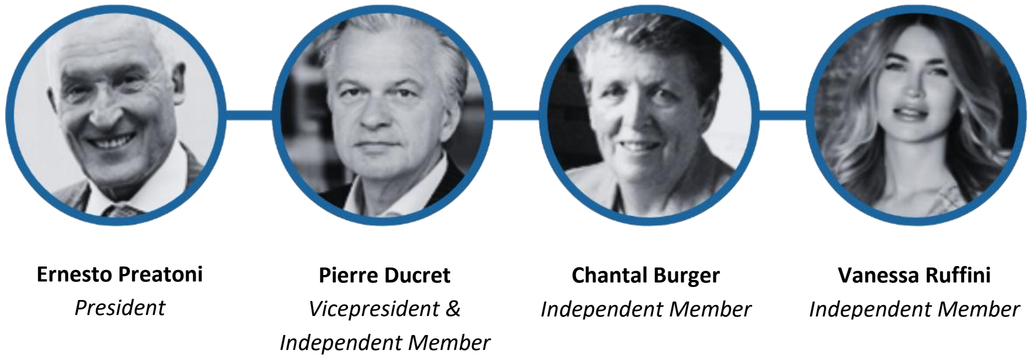
- **Oscar Crameri – Board Member.** Oscar Crameri has a degree in law. He began his professional career practicing as a lawyer and notary at a law firm in Lugano, before moving to management roles in the auditing firms Arthur Andersen and Deloitte, where he was Head of the Tax and Legal Departments. Subsequently, he was Executive Member and Head of Legal Services and Compliance at an investment bank for four years. He served on the Board of Directors of the Federation of Raiffeisen Banks (Fédération des Banques Raiffeisen) in Ticino, was Chairman of a local Raiffeisen bank and a Board member, and eventually Chairman, of the Association of Notaries of the Canton of Ticino. He currently practices law in the Canton of Ticino, is Chairman of the Board of Directors of Saarmas Family Office SA in Lugano and a member of the Supervisory Board of Pro Kapital Grupp. His term of office ends in 2026.

Supervisory Board (*Conseil de Surveillance*)

Pursuant to the articles of association, the body may be composed of 3 to 12 members. The members are appointed by an Ordinary Meeting of Shareholders, which may revoke the posting at any time. Maximum term of office is 4 years. Age limit set at 85. No more than one third of members can be older than 70.

- **Ernesto Preatoni – Chairman**, founder and majority shareholder of the Preatoni Group, Ernesto Preatoni began his career in 1967 as a financial advisor to private investors. In 1971 he became President of Italian Financial Advisors, an association created to direct savings towards targeted investments. In the 70s and 80s, he began working in real estate (first in the United States, then in Italy), specialising in the construction and sale of apartments and office buildings. By 1991 he had become one of the leading entrepreneurs in the sector. In 1985 he turned his attention to the banking sector, carrying out his first major financial transaction with the acquisition of Bi-Invest. In 1987 he led the acquisitions of Banca Popolare di Lecco and subsequently Credito Bergamasco. In the 1990s, it focused its activities on two geographical areas: Egypt and the Baltic States, exploiting development opportunities. In Egypt he created Domina Coral Bay in Sharm el-Sheikh. He was also among the first to perceive the great growth potential of the Baltic States, as early as the 1990s. His term of office ends in 2026.

Preatoni Group – Executive Board Members



Source: Websim Corporate on Company data

- **Pierre Ducret - Vice-Chairman**, independent board member. Company Director (Ethifinance; Apave SA; Novaxia); Former Climate Advisor at the Caisse des Dépôts Group; Founder of the Institute of Climate Economics I4CE. In addition, for the Preatoni Group: Member of the Audit Committee; Chairman of the Corporate Social Responsibility Committee (Comité RSE – Responsabilité Sociétale des Entreprises). His term of office ends in 2026.
- **Chantal Burger - Independent board member**. Former CEO of Allen & Overy France; Former Deputy General Manager of Groupe Étoile; Former CEO of the VVF Group; Former Project Manager at C3D, responsible for the real estate and tourism sectors. In addition, for the Preatoni Group: Chairman of the Audit Committee. Member of the Corporate Social Responsibility Committee. Her term of office ends in 2026.
- **Vanessa Ruffini - Independent board member**. Graduated in Psychological Sciences and Techniques (Scienze e Tecniche Psicologiche); Specialist in Human Resources and Labour Relations; Her term of office ends in 2026.

Executive Committee (*Comité Exécutif*)

The **Executive Committee**, the body that ensures that executive decisions are consistent with the Group's strategy, sits within this governance structure. It meets at least four times a year, and is composed of the **three members of the Board of Directors** and the **two heads of the Group's divisions, namely Eugenio Preatoni for Hospitality & Tourism and Edoardo Axel Preatoni for Real Estate Development**. The Chairman of the Supervisory Board (Ernesto Preatoni) is a permanent invitee.

Preatoni Group – Executive Branch

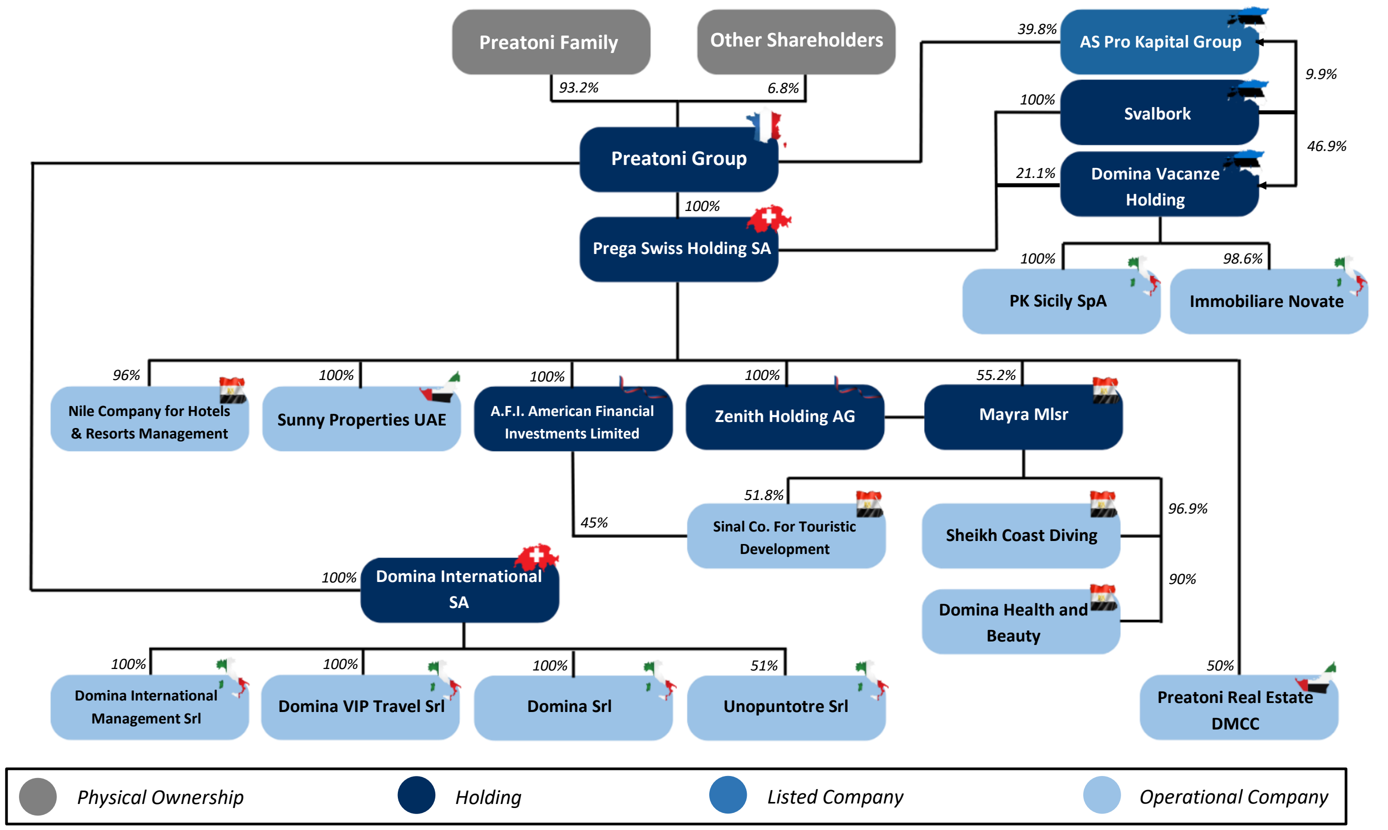
Source: Websim Corporate on Company data

Once the annual budgets, CapEx and cash flows of the operating companies have been approved at Group level by the Executive Committee, the operating executives are fully responsible for their execution within the framework approved by the Committee. The Group therefore operates under a **decentralised management model**.

Corporate structure

The Group's corporate structure revolves around the **Preatoni family**, which holds almost all of the capital of the **Preatoni Group** (93.7%), while a small share (6.8%) is held by a further nine shareholders. Directly, and through its wholly-owned holding company **Prega Swiss Holding SA**, the group exercises control over a series of strategic holdings in operating and real estate companies located mainly in Europe and the Middle East, creating an extensive corporate network active in the Hospitality & Tourism and Real Estate sectors.

Preatoni Group – Company Structure



Source: Websim Corporate on Company Data

Below are the group's main operating companies broken down by division and/or geographical scope:

Hospitality & Tourism
Sharm el-Sheikh

- **Sinal Co. For Touristic Development (SICOT)**. A Cairo-based company founded under Egyptian law, 96.8% owned by Preatoni, it owns, leases and develops the Domina Coral Bay resort real estate complex in Sharm el-Sheikh. In 2023 it generated Eu2.4mn in revenues (EGP84mn, based on exchange rate at YE23).
- **Nile Company for Hotels & Resorts Management.** 96%-owned Egyptian company with registered office in Sharm el-Sheikh. Its corporate purpose is the management of the Domina Coral Bay resort. In 2023 it generated Eu28mn in revenues (EGP967mn, based on exchange rate at YE23).
- **Sunny Properties.** Company incorporated in Dubai, 100% owned with registered office in Dubai, active in the right of profitable use and sale of timeshares on the Sharm el-Sheikh site. In 2023 it generated Eu5.4mn in revenues.

Hospitality & Tourism
Italia etc.

- **Domina VIP Travel.** 100%-owned Italian group based in Milan. It is a tour operator and support company for hotels and the tourism industry. It generates most of its revenue with the Sharm el-Sheikh resort. 2023 revenues Eu9.6mn.
- **Domina Srl.** 100%-owned Italian group based in Milan. It is the intermediary for the Group's timeshare sales activity in Sicily and Egypt. 2023 revenues Eu3.6mn.
- **PK Sicily.** 68.0%-owned Italian group based in Milan. Its corporate purpose is the management of the Domina Zagarella resort in Santa Maria in Sicily, near Palermo. In 2023 it generated Eu9.7mn in revenues.
- **Immobiliare Novate.** 66.6%-owned Italian group based in Milan, active in the management of the Domina Fiera Milan hotel. In 2023 it generated Eu5.5mn in revenues.
- **Domina International Management.** Company incorporated under Italian law with registered offices in Milan and Lugano. It manages the 29 timeshares on Lake Garda, leased by the 51%-owned Italian company Unopuntotre. Domina International Management generated Eu0.7mn of revenues in 2023 while Unopuntotre generated Eu1.9mn.

- **Domina International.** 100%-owned Swiss company with registered office in Lugano. Active in the development and management of the Domina brand, under which the Group's Hospitality & Tourism activities are exercised. In 2023 it generated Eu0.7mn in revenues.

Real Estate Development
Baltic countries & Dubai

- **ProKapital Grupp**. A listed Estonian company, 49.6%-owned through direct and indirect stakes, with registered office in Tallinn. It is dedicated to real estate development in Estonia, Lithuania and Latvia. In 2023 it generated Eu23.0mn in sales.
- **Preatoni Real Estate DMCC.** Company incorporated in Dubai, it is a JV with the Italian PLT group (Preatoni currently has 29%). The Company is in negotiations to restore its original 50% share of the JV. The objective is to take over a project for the construction of a skyscraper with a predominantly residential purpose, with a developed area of about 50,000m^2. As the project is still at an early stage, it has not yet generated revenues.

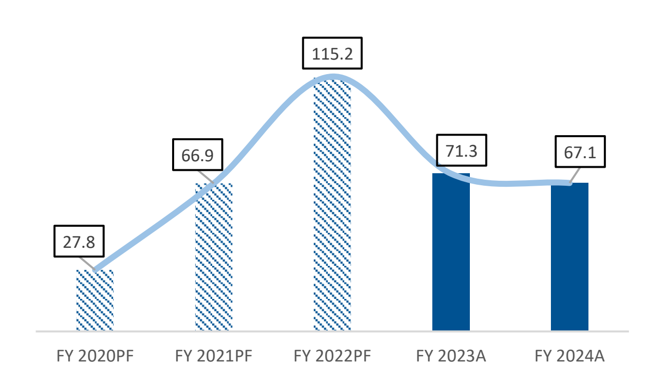
In addition to these there are a number of holding companies: **Prea Swiss Holding** in Switzerland, **Svalbork** and **Domina Vacanze Holding** in Estonia, **Mayra Misr** in Egypt (which controls **Sheik Coast Diving** and **Domina Health&Beauty**), **Zenith Holding** and **American Financial Investment** in Liechtenstein. These are intermediate holdings without assets or staff.

Business Model

Our analysis of the performance of the Preatoni Group, which is influenced by (i) the seasonality of the H&T business, and (ii) Real Estate development cycles, focuses on two phases. Specifically:

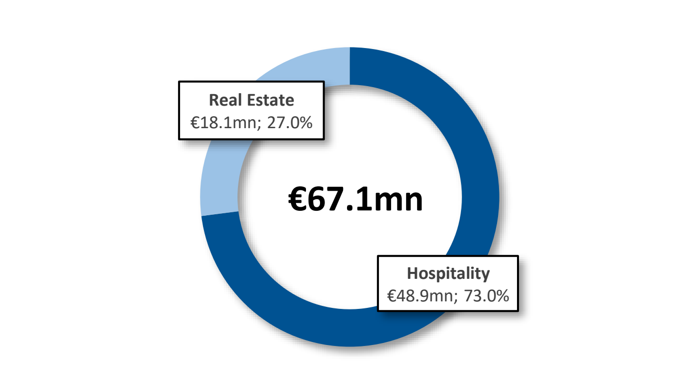
- **2020 - 2022.** In this period, Preatoni Group revenues rose from Eu27.8mn to Eu115.2mn, a CAGR of over 100%. Despite the negative effects of the pandemic, the Group's growth is mainly attributable to the **rapid recovery of the emerging markets** in which the Company operates.
- **2022 - Now.** Preatoni Group revenues went from **Eu115.2mn in 2022 to Eu67.1mn in 2024**, mainly attributable to falling turnover in the real estate sector. This was mainly a cyclical effect: in other words, in certain years solid sales are generated due to high availability of finished properties, whereas in subsequent years sales can decline as new projects are not yet ready.

Preatoni Group – FY2020PF – FY2024A Total Revenues (€ mn)



Source: Websim Corporate on Company data

Preatoni Group – FY2024A Revenue Breakdown by Division (%)



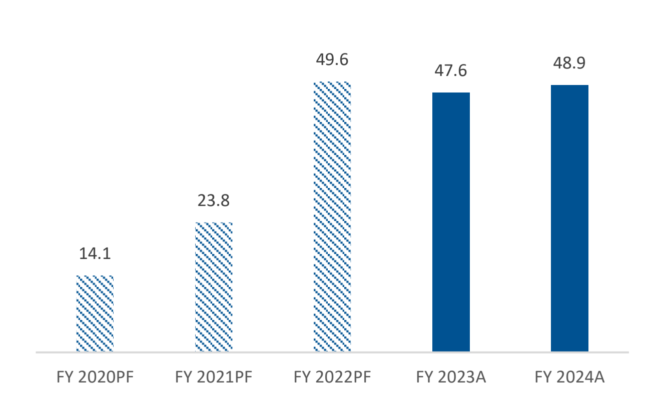
Source: Websim Corporate on Company data

As previously indicated, the Preatoni Group operates through **two main divisions: Hospitality & Tourism and Real Estate Development**. In 2024, the H&T division accounted for 73% of total revenues, with the remaining 27% attributable to Real Estate Development. This was a continuation of the trends for previous years.

Hospitality & Tourism

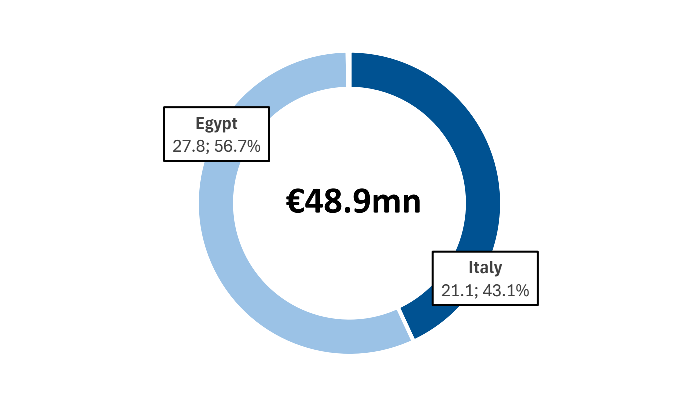
In the hotel sector, the Group is known for the design, development and direct management of large-scale hotel facilities.

Preatoni Group – 2020-2024 H&T Revenues (€ mn)



Source: Websim Corporate on Company data

Preatoni Group – 2024 H&T Revenue Breakdown by Hotel (%)



Source: Websim Corporate on Company data

In **Egypt**, the Group owns the **Domina Coral Bay** resort in Sharm el-Sheikh, one of the largest resorts in the region, which includes numerous hotels, private residences, wellness centres and integrated leisure services. Egyptian revenues are entirely attributable to Domina Coral Bay.

In **Italy**, the Group owns and manages i) the **Domina resort in Zagarella**, near Palermo, partly managed on a timeshare basis; ii) the business-oriented **Domina Fiera Milan hotel** in Novate Milanese; iii) **Domina Borgo degli Ulivi Residence** in Gardone Riviera, Lake Garda, containing 29 timeshare apartments.

It should also be noted that the combined revenues from Italy and Egypt do not correspond exactly to total H&T revenues, as there is a residual item (others, <1%) that includes (i) rental fees deriving from activities managed by third parties within the facilities (e.g. clinics, casinos, etc.) and (ii) revenues from ancillary services offered to customers, such as excursions.

H&T division revenues grew from **Eu14.1mn in 2020 to Eu48.9mn in 2024**, i.e. a 2020-2024 CAGR of over 30%. More specifically, the growth is mainly attributable to **Domina Coral Bay**, the group's most important facility.

Egypt

Domina Coral Bay

Domina Coral Bay Resort

The resort is 12 minutes from Sharm el-Sheikh International Airport and 15 minutes from Naama Bay. Covering an area of 7.38 hectares, it offers exclusive access to a 1.8km private beach. **The resort is equipped with numerous services**, including swimming pools, beach clubs, boutiques, a scuba diving centre, SPA, casino, discotheque, medical clinic and conference centre.

The wide range of accommodation includes hotel rooms, apartments and villas. Units are available both in **traditional hotel form** and in **timeshare[1] mode**. Overall, the resort has more than 1,050 rooms, of which approximately 320 managed in timeshare, distributed across 10 buildings, including 7 five-star hotels. Food and refreshments are served in 13 restaurants and numerous bars. There are also more than 130 villas and private residences on the site, sold to third parties, which provide an additional customer base for the services offered.

The resort is **entirely self-sufficient** in infrastructure terms: it has an internal road network and a desalination plant connected to the main water system, guaranteeing a constant supply of fresh water, essential for the maintenance of green areas in particular.

Preatoni Group – Resort Domina Coral Bay

Source: Websim Corporate on Company data

In addition to the traditional hotel business, the Group has developed a **timeshare offer that has helped secure a pool of repeat clients**. The formula is based on individual one-week periods.

The resort has 320 units available for timeshare. Contracts provide for the right to use a specific unit for a certain period, for one year or repeated in subsequent years. In return, the client pays a fixed initial price and bears annual charges during the years in which they use the property. Use of the allocated week must be confirmed at least six months in advance. In the absence of this confirmation, the resort may assign the unit to the hotel business. Owners will be billed for joint expenses in the years they use their allocated period.

In 2010, Egyptian law changed the right of access to real estate property, setting a time limit. As a result, the Group changed its offer from the sale of an ownership right to the **sale of a guaranteed right of use** for a **maximum contractual term of 50 years**, renewable for a further 25 years. **As of 2019, contract durations of 5, 14 or 30 years are available**.

The Preatoni Group's timeshare units are affiliated with the **RCI** circuit, one of the **world's leading operators in the holiday exchange sector**, with over 4,300 hospitality facilities in more than 100 countries. Thanks to this partnership, customers can exchange their week for stays in other participating facilities.

There is a three-fold purpose to this formula: (i) **customer retention**; (ii) **guaranteeing high annual occupancy rates**; (iii) **helping cover the resort's fixed costs**. In addition, timeshare customers automatically obtain “D Club” membership status (described below). Since 2022, one-week timeshare

[1]Purchase of the right to use the room, apartment, or villa for a specified period each year

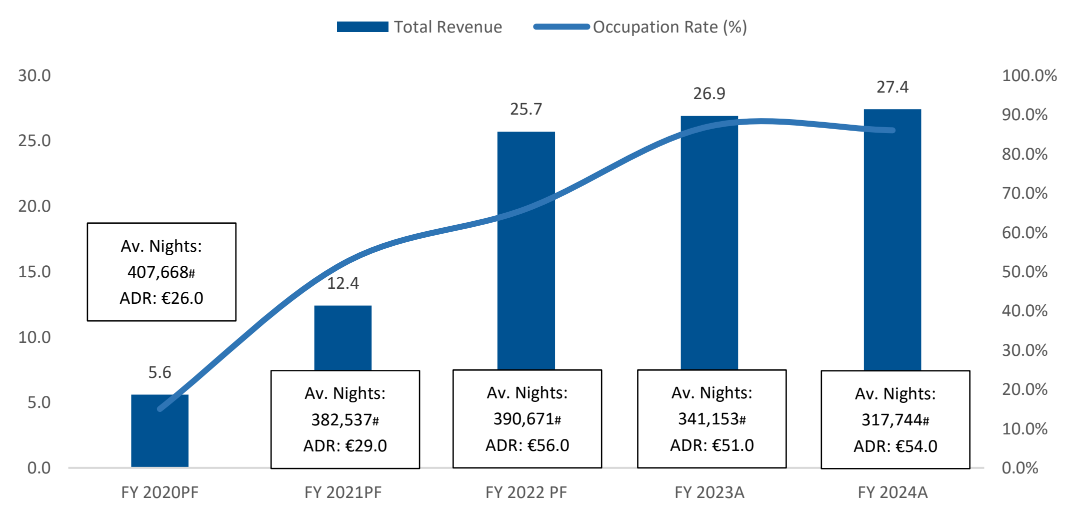
sales have come to between 750 and 950 per year. About 50% of the contracts sold have a duration of 5 years, while the remaining 50% consist of thirty-year contracts.

To strengthen its customer loyalty strategy, the Group has introduced **D Club** status. D Club members benefit from a **range of exclusive services**, including transfers to and from the hotel, personalised concierge, and access to reserved spaces within the resort, especially in restaurants. D Club membership is available both to timeshare and non-timeshare customers.

The resort was extremely busy until the early 2010s, before being penalised by a series of **adverse events**: (i) the "Arab Spring" in 2011, (ii) the plane crash after take-off from Sharm el-Sheikh in 2015, (iii) the Covid-19 pandemic in 2020-2021, (iv) the Russian-Ukrainian conflict starting in February 2022 and, more recently, (v) the Israeli-Palestinian conflict in 2023-2024.

In **2024**, the Domina Coral Bay Resort generated **Eu27.4mn** in revenues, accounting for more than 55% of the total H&T segment, compared to Eu26.9mn in 2023.

Preatoni Group – 2020-2024 Coral Bay Revenue Trends



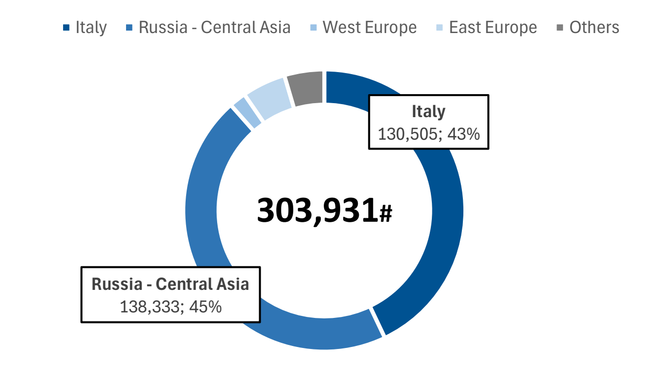
Source: Websim Corporate on Company data

In recent years, the Coral Bay Resort in Egypt has recorded a **2020-2024 CAGR of over 40%**. This growth is mainly attributable to the increased occupancy rate, which went from a low point of 15.2% in 2020, as a result of the pandemic, to stabilise at around **86% in 2024**, better than the European standard. Despite this, metrics are based on a reduction in the number of available rooms due to ongoing renovation work, aimed at improving and expanding the resort in the long term (>2025).

Assuming that about 50% of the total derives from catering (F&B), the ADR for overnight stays alone would be reduced by about half: for 2024, **the "net" ADR from room revenues would be around Eu54**.

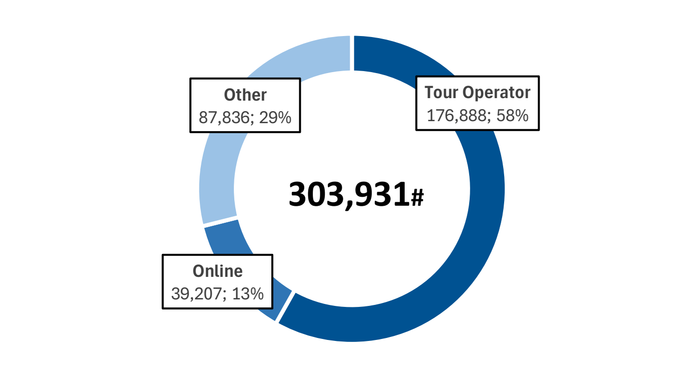
Until 2021, the Domina Coral Bay resort primarily attracted **clientele** from Italy and the ex-CSI countries (i.e. Russia, Kazakhstan, Ukraine, Belarus, Uzbekistan, Azerbaijan, and Kyrgyzstan). With the outbreak of the Russian-Ukrainian conflict, the Group accelerated its diversification process, attracting customers with higher spending power.

Preatoni Group – 2023 Coral Bay Clientele Breakdown by Geography (€ mn)



Source: Websim Corporate on Company data

Preatoni Group – 2023 Coral Bay Clientele Breakdown by Channels (%)



Source: Websim Corporate on Company data

The Group markets its offer through **two main channels**.

Travel agencies and tour operators represent the traditional channel for Sharm el-Sheikh, and consequently also for the **Domina Coral Bay** resort, considering the large number of rooms made available through this channel. The Group's five main tour operator partners are **Alpitour, Domina VIP Travel, Biblo, Sun International and Joyce**. Although this is the main sales channel in terms of volumes, it is also the **least profitable** for the Group, due to the high commissions paid to intermediaries and the prices charged. In fact, the average sales price through tour operators is about **30% lower** than that obtained through online sales platforms.

Online, these sales can be either **direct** (via the Domina Coral Bay website) or **indirect** (via other online platforms). The Group has significantly developed its network of online distributors over the course of 2022 and 2023. The five main online distributors are the **Domina Group website, Booking.com, Expedia, HotelBeds** and **Keytel**. This is the group's most profitable channel, thanks to the limited brokerage fees. On average, the revenue generated from online customers is twice as much as is generated from tour operator customers.

Italy

Domina Zagarella Resort

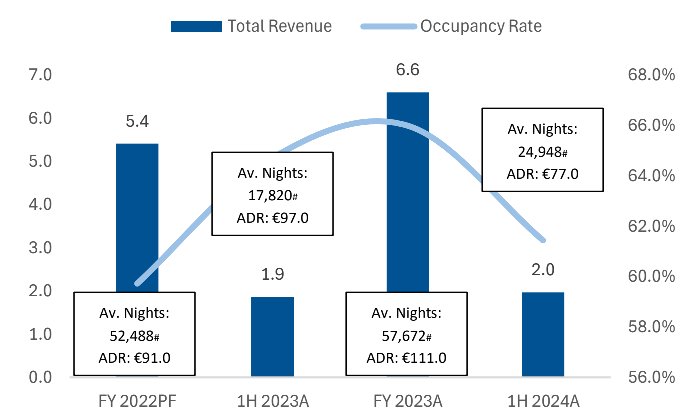
Domina Zagarella

Located about fifty kilometres from Palermo airport in Sicily, and 2km from the centre of Santa Flavia, this **4-star** resort, which was renovated in 2010, has **338 rooms** (including 16 suites and 22 family rooms) and 43 villas. The site covers an area of 5 hectares.

Preatoni Group – Domina Zagarella

Source: Websim Corporate on Company data

Preatoni Group – 2022-1H2024 Domina Zagarella Revenues (€ mn)



Source: Websim Corporate on Company data

It also includes two restaurants, two bars, three swimming pools, a nautical and scuba diving centre (PADI member - open from June to September), a gym, a beach volleyball court, two padel courts, a shop and a conference centre with a maximum capacity of 500.

As it was built on a rocky promontory, the resort does not currently have a dedicated sandy beach. An agreement signed with **"Lido Olivella"** in 2024 will allow the resort to offer guests an **easily-accessible private beach as of 2026**. The Group is seeking to develop **Beach Club** catering and services on this site. This will enhance the resort's appeal, allowing both per-night tariffs and occupancy rates to increase.

The Group also intends to extend the opening period of the site which, due to the climate and nature of the offer, is currently limited to approximately 200 days per year. Studies are underway to round out the resort's offer, in particular with a **SPA centre** and a **medical offer** (**medical SPA**). This type of service is already well developed in the Palermo region. This expansion will allow to attract a specific **clientele throughout the year**, in addition to local customers, **helping extend the opening season** and **increase occupancy rates**. Most of the resort's guests are Italian tourists.

Similar to the Sharm El Sheikh resort, all rooms and villas can be offered in a timeshare agreement, in the form of the sale of rights in units of time.

In 2023, activity at the Domina Zagarella resort returned to normal levels after the pandemic, with **revenues reaching Eu6.6mn**, accounting for more than 30% of the Italian total and more than 10% of the H&T business line. In addition, we note a **positive trend in the occupancy rate**, which was around 66% in 2023, in line with European standards. This is due to (i) the resurgence of tourist flows after the pandemic, (ii) a longer opening period than the previous year and (iii) higher room rates.

In the first half of 2024, the structure generated Eu2.0mn in revenues, with an occupancy rate just above 60%, slightly down YoY.

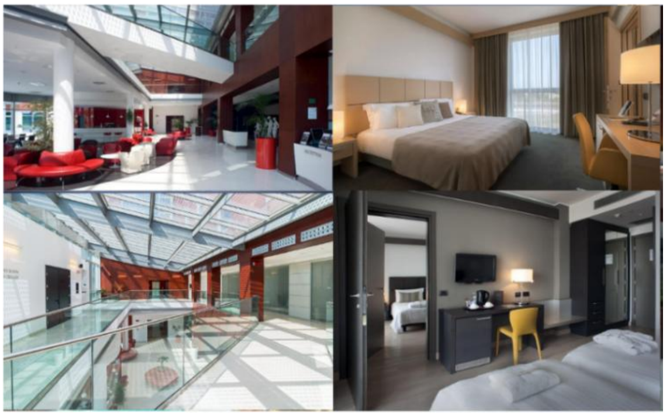
If we again look at ADR, assuming that 40% of Zagarella's total revenues come from Food & Beverage and others, we can estimate an ADR for room revenues alone at **c.Eu77**.

Hotel Domina Fiera Milan

Domina Fiera Milan

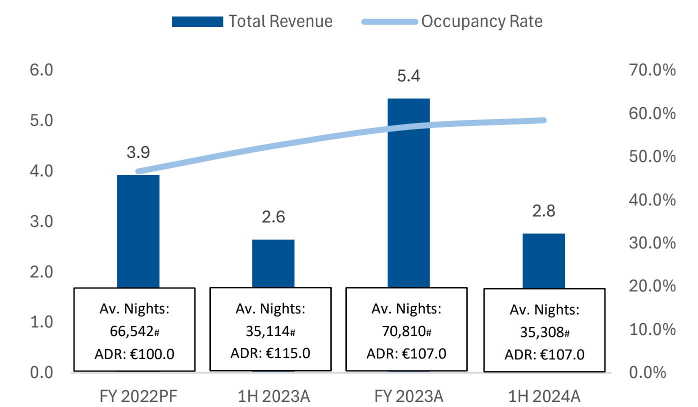
Opened in 2010 and renovated in 2013 and 2014, the Domina Fiera Milan hotel is located in Novate Milanese, a municipality on the outskirts of Milan in North-West Italy. It is 3km from the **Milan Innovation District (MIND)**, an area under development that is dedicated to science, research and innovation. It will host various infrastructure, companies, universities, research centres, etc. when it is fully up and running. In addition, it is located near Fiera Milano, one of the two congress centres in Milan that hosts more than 200 events per year. Located less than 500 metres from the urban rail network, it allows access to the centre of Milan in less than 15 minutes, also opening up access to tourists as well as business customers.

Preatoni Group – Domina Fiera Milan



Source: Websim Corporate on Company data

Preatoni Group – 2022-2023 Domina Fiera Milan Revenues (€ mn)



Source: Websim Corporate on Company data

Domina Fiera Milan is a **4-star hotel with 194 rooms**, a restaurant, a bar, several meeting rooms and a sports room. Although mainly aimed at a **business clientele**, the hotel also welcomes tourists thanks to its good connection with Milan city centre.

Hotel and tourist activity in Milan is carried out through **Immobiliare Novate**, which owns and manages the hotel.

In 2023, Domina Fiera Milan generated **Eu5.4mn in revenues**, accounting for over 25% of the total for Italy, and over 10% on the H&T business line, similar to Zagarella, although it targets a different clientele. In addition, we note a positive trend in the occupancy rate, which remains at around 45-60% for 2023, in line with European standards. This positive growth is mainly attributable to the expansion of the congress site to pre-Covid levels, and the development of the **Milan Innovation District**.

In **1H24** the hotel generated Eu2.8mn in revenues, with the occupancy rate higher than in the previous two years at nearly 60%.

As for net ADR, assuming that 25% of total revenues come from F&B, **we estimate a figure of around Eu107 for overnight stay revenues.**

Domina Borgo degli Ulivi

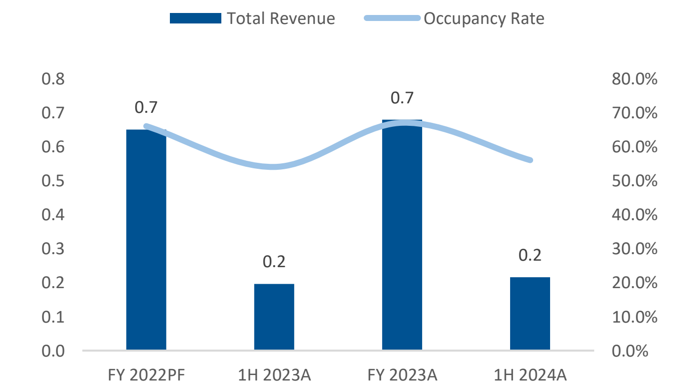
Domina Borgo degli Ulivi

The Domina Borgo degli Ulivi residence is located about 2km from the centre of Gardone Riviera, on Lake Garda in Northern Italy. Nestled in a 2-hectare park, the residence offers **29 apartments**, as well as a swimming pool and two bars for its guests. Units are available both in traditional rental form and in timeshare mode.

Preatoni Group – Domina Borgo degli Ulivi

Source: Websim Corporate on Company data

Preatoni Group – 2022-2023 Domina Borgo degli Ulivi Revenues (€ mn)



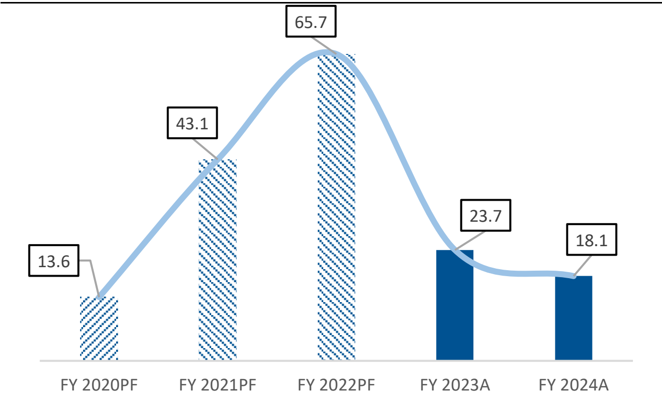
Source: Websim Corporate on Company data

In 2023, Domina Borgo degli Ulivi generated **Eu0.7mn in revenues**, a minimal weight on Italian revenues and the H&T business line. In **1H24**, it generated Eu0.2mn in revenues, with the occupancy rate remaining in line with previous years at around 60%.

Real Estate Development

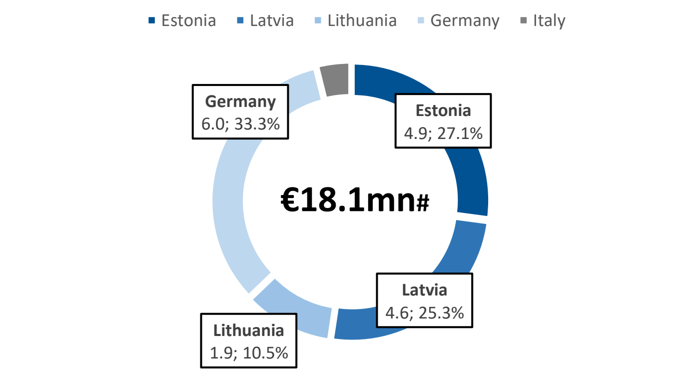
In the field of **real estate development**, the Group is active in residential and commercial projects, boasting a presence in the **Baltic States** (Estonia, Latvia and Lithuania), through the listed company **ProKapital Grupp**, specialising in the development of residential neighbourhoods and medium and high-end housing.

Preatoni Group – 2020-2024 Real Estate Dev. Revenues (€ mn)



Source: Websim Corporate on Company data

Preatoni Group – 2024 Real Estate Dev. Revenue Breakdown by Geography (%)



Source: Websim Corporate on Company data

The real estate development division recorded around **Eu12mn of revenues** in 2024 (not considering the revenues from hotel management in Germany, which came to around Eu6.0mn in the year), down YoY. The division's top line trend is cyclical (the graph resembles a sine wave), as it is closely linked to the number of projects in the pipeline that go from work in progress to completion and subsequent sale, at which time they are booked as revenues.

Geographically, the **Baltic countries** account for the largest share of the division's revenues, with the rest (c.**30%**) attributable to **Parkhotel Kurhaus** in Germany. Finally, there is a residual amount in Italy linked to the fees received from ProKapital Grupp.

Business Model

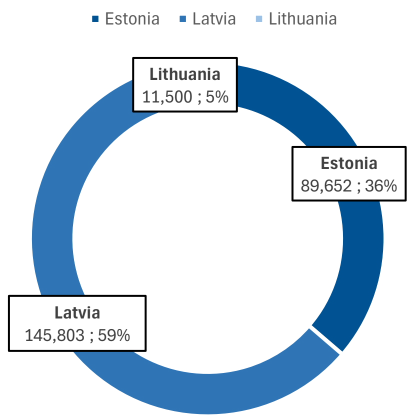
1 **Land Development.** Encompasses all activities aimed at identifying, enhancing and transforming land to make it buildable. The Company has a substantial portfolio of projects, both already underway and in the pipeline for the future, and a **total gross buildable area (GBA) of approximately 250,000m²**. This portfolio will serve the capitals of the Baltic markets (Tallinn, Riga and Vilnius) over the next 10-12 years.

Preatoni Group – Company Reserves

Estonia
Population: 1.3 million
Area: 45,339 km²
Company Reserves: 89,652m²

Latvia
Population: 1.9 million
Area: 64,589 km²
Company Reserves: 145,803m²

Lithuania
Population: 2.8 million
Area: 65,300km²
Company Reserves: 11,500m²



Source: Websim Corporate on Company Data

2 **Marketing**. Following well-defined practice within real estate development, the apartments are designed and put up for sale off-plan (driven by significant marketing activity) based on projections, renderings and floor plans. These pre-sales demonstrate to banks that there is an interest in the projects (they usually come to at least 1/3 of available properties) in order to obtain the financing needed to start the construction phase. The buyer subsequently signs a binding contract, paying 10-20% of the total price up front, with the remainder to be paid when the property is finished.

3 **Construction**. Construction is managed internally through local teams that coordinate subcontractors in all phases of work (excavations, foundations, structures, systems, facades and finishing, right up to handover). In some cases, jobs may be outsourced to a local general contractor. The life cycle of a project, from excavation to handover, is generally between 12 and 24 months.

4 **Handover.** Once the unit is completed, the customer makes the final payment and formalises the transfer of ownership. Most of this payment is used to repay the construction loans from banks. Once this debt is paid off, the residual cash flow becomes free cash for the company. We highlight that approximately 5-10 years typically elapse from the identification of a suitable land plot to the completion and handover of the developed property. Consequently, the location of the land reserves—specifically, the potential selling price per m^2 in that particular area—becomes a critical factor in accurately assessing the project's overall profitability.

Given the cyclical nature of the reference market, ProKapital adopts different strategies depending on the phase of the market.

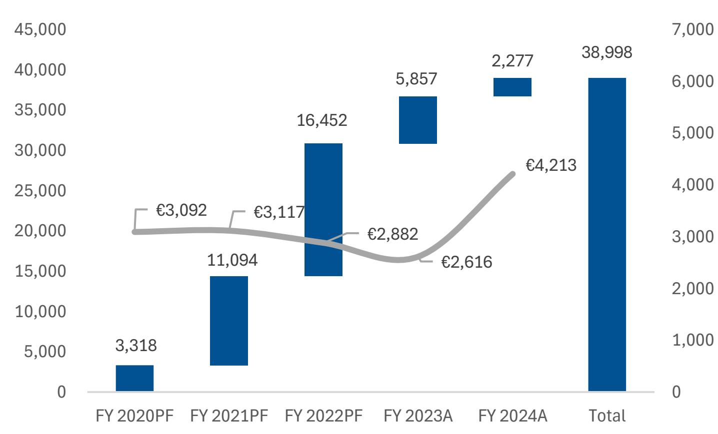
Periods of market growth. The Company shifts its attention to starting new projects, commencing with the acquisition of new land and the opening of construction sites. Thanks to the long development times, the company aims to hand over the properties in a favourable market period, maximising margins.

Periods of market decline. The main objective is to preserve liquidity and reduce risks. As a result, the company focuses on the second phase of its business model and avoids opening new construction sites that could become too expensive or remain largely unsold: this is because, even when the market is falling, development projects still requires significant resources, so the profitability of pipeline projects is lowered.

Real Estate Development – Completed Projects

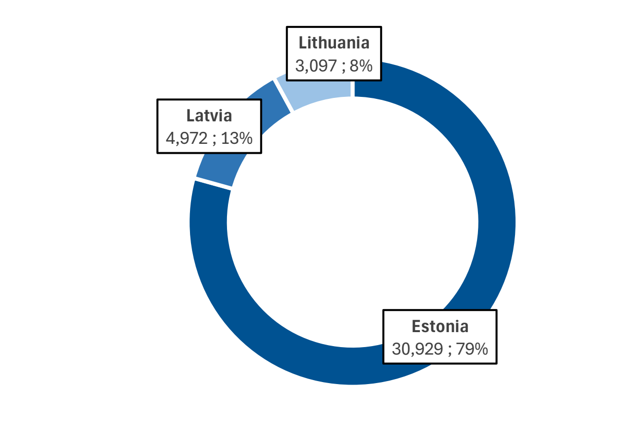
As well as analysing ProKapital's revenue trends, we have also looked at the amount of space developed and average price in each year. Over the last four years, ProKapital has developed c.39,000m^2, with an annual average of c.7,800m^2. Activity peaked in 2022, in the immediate post-pandemic period, when over 16,000m^2 was developed — corresponding to about 40% of the four-year total; all within a Eu2,500-Eu4,500 price range.

Preatoni Group – 2020-2024 Evolution of m^2 developed (€ mn)



Source: Websim Corporate on Company data

Preatoni Group – 2020-2024 Geographical Breakdown of m^2 developed (%)



Source: Websim Corporate on Company data

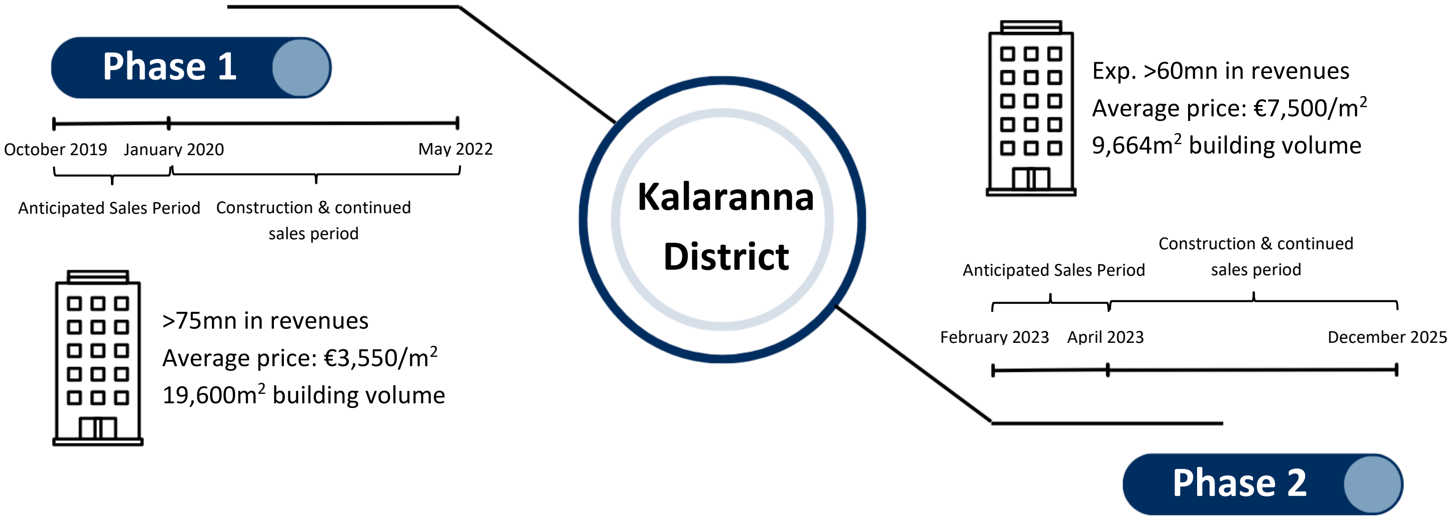
Over the last four years, the Group's main market has been Estonia, through the projects completed in Tallinn, where it developed more than 30,000m^2.

Since its inception, **ProKapital** has developed more than 300,000m^2, through more than 20 completed projects. Among the most recent, we note the **improvement of the Kalaranna District**, a project divided into various phases (some already completed, some still to be developed).

First Phase (Completed).

- **Number of apartments.** The project includes 8 buildings, with a total of 232 apartments.
- **Duration.** Construction work began in January 2020 and was completed in May 2022. We also note that the sales period started early, in October 2019, and lasted until May 2022. This approach (opening sales before the construction phase begins) has enabled financing to be obtained from banks, which have a lower risk exposure as they already can see the interest from potential buyers.
- **Revenues.** Total revenues exceeded Eu75mn, with an average selling price of Eu3,550 per square metre, with a total buildable volume of 19,600m^2.

Preatoni Group – Kalaranna District Pipeline



Source: Websim Corporate on Company Data

Second Phase (In progress).

- **Numero di appartamenti.** Il progetto include 4 edifici, con un numero totale di 146 appartamenti.
- **Duration.** Construction work began in April 2023 and is expected to conclude in December 2025. Again, the sales period started early, in February 2023, and lasted until May 2025.
- **Revenues.** Revenues are forecast to exceed Eu60mn, with an average sales price of Eu7,500 per square metre, out of a total buildable volume of 9,664 m^2.

Preatoni Group – Kalaranna District

Source: Websim Corporate on Company data

Hospitality - Parkhotel Kurhaus

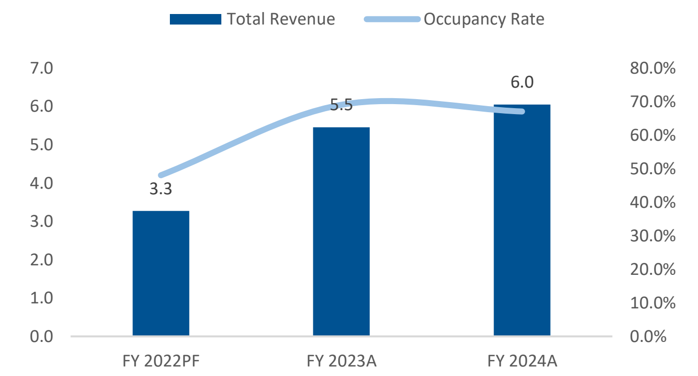
Although this asset is a hospitality structure, it falls within the accounting perimeter of ProKapital Grupp.

It is located in the SPA town of **Bad Kreuznach** in Germany, about an hour's drive from Frankfurt. The **4-star hotel**, built in 1913 and fully renovated in March 2023, has **116 rooms**, 11 meeting and conference rooms, a restaurant, a bar and a wellness area. It is owned and managed by ProKapital Grupp through a **leasehold right** granted by the city, which **expires in 2065**. The Management is currently in discussions to further extend the duration of the concession.

Preatoni Group – Parkhotel Kurhaus

Source: Websim Corporate on Company data

Preatoni Group – 2020-2024 Parkhotel Kurhaus Revenues (€ mn)



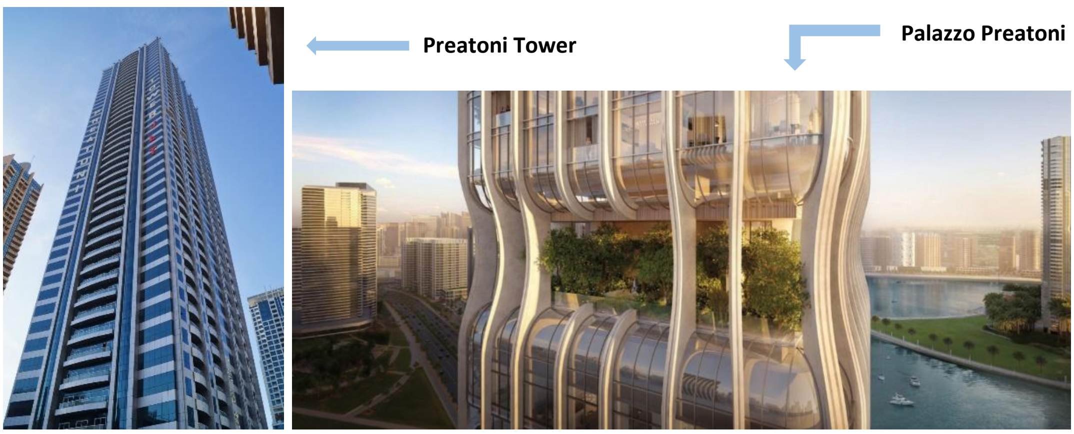
Source: Websim Corporate on Company data

Thanks to completion of the renovations in 2022 that had previously restricted some operations at the hotel, it recorded a significant increase in its occupancy rate in 2023, reaching 67%. This drove an equally notable increase of 67% YoY in turnover. This rising trend continued in **2024**, leading to the hotel generating over **Eu6.0mn in revenues**.

Dubai projects: Preatoni Tower and Palazzo Preatoni

The Preatoni Group has been active in Dubai **since 2014**. It has completed a real estate project involving apartments and stores, taking on and completing an initiative previously abandoned by another construction company, and handing over the properties in October 2018. The project, located in the **Jumeirah Lake Towers** (JLT) area, is known in Dubai as **Preatoni Tower**.

Preatoni Group – Preatoni Tower e Palazzo Preatoni



Source: Websim Corporate on Company data

This project gave the Group **considerable experience**, as recognised by local authorities who entrusted it with the completion of another project, the "Niki Lauda Tower", later renamed "**Palazzo Preatoni**". This project, initially launched in 2007 by property developer **Define Properties**, is registered with the local authorities (Dubai Land Department) under the name of "Niki Lauda Twin Towers" in Business Bay.

For the redefinition and development of the project, the Preatoni Group formed an ad-hoc company named "**Preatoni Real Estate Development DMCC**", based in Dubai and registered in the DMCC free zone (hereinafter "Preatoni Real Estate"), a subsidiary of Prea Swiss Holding. On 23 January 2023, Preatoni Real Estate opened its capital to the Italian group PLT Holding under a 50/50 joint venture framework (accounted as equity by the Group). On 26 January 2023, the decommissioned "Niki Lauda Towers" project was allocated to Preatoni Real Estate DMCC by Dubai's Special Judicial Committee for Unfinished and Cancelled Real Estate Projects. On behalf of the newly-created company, the PLT group guaranteed the payment of a AED40mn deposit, corresponding to about Eu10mn, to this Special Committee. The aim of the deposit is to ensure the success of the project. In 2024, following a recapitalisation involving the merger of the shareholders' current accounts, the Group's stake in **Preatoni Real Estate DMCC provisionally came down from 50% to 29%**.

The initiative is aimed at resuming the development, while safeguarding the interests of the original customers. Initially, the company had planned 384 lots for commercial use, of which 353 had already been marketed under a similar model to off-plan sales. Subsequently, the Group transformed the project, adapting to rising demand in the residential real estate market, and now includes commercial establishments on the ground floor and residential units on the upper floors.

The project covers a total area of 708,000 square feet, equivalent to about 67,000m^2, including shared areas. The space allocated to individual real estate units is about 40,000m^2. Overall, 375 units will be built, made up of 366 apartments and 9 commercial spaces. Of the total stock of 375, 98 have already been sold and a further 98 are under negotiation.

The 179 lots that are still available cover 250,000 square feet, or about 23,000m^2. Average price per m^2 is in the region of Eu5,500. Available stock does not include lots that will return to the company once contracts with customers that cannot be traced are terminated, as required by Dubai's legislation. The stock of lots potentially available for sale amount to about 41,000 square feet (3,800m^2). **At present, delivery is anticipated beyond 2027.**

Markets

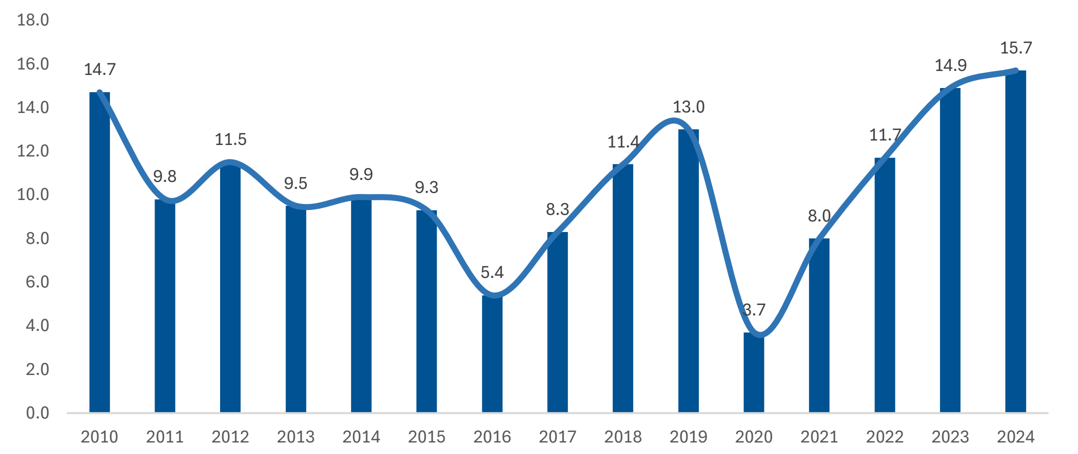
Following our focus on the Preatoni Group's business areas, we proceed to an analysis of the associated markets: **Hospitality & Tourism** and **Real Estate Development**, highlighting the current operational situation and potential future business opportunities.

Hospitality & Tourism

With a population of around 105.1mn in 2023, **Egypt** represents a strategic market for the Preatoni Group, in which it generated **over 40% of revenues in 2024**.

According to the **Egyptian Tourism Authority**, the country welcomed 15.7mn tourists in 2024, surpassing the previous record (14.9mn) set in 2023, placing Egypt among the **world's 30 leading tourist destinations in 2024**. This positive sector trend is set to continue, with tourism estimated to contribute **8.1% of Egyptian GDP in 2024**, supported by a robust post-pandemic recovery, stabilisation of the impact of the Russian-Ukrainian war that has been underway since 2022, and of the repercussions of the Israeli-Palestinian conflict that began in 2023.

Preatoni Group – 2010-2024 Tourism in Egypt (mn)

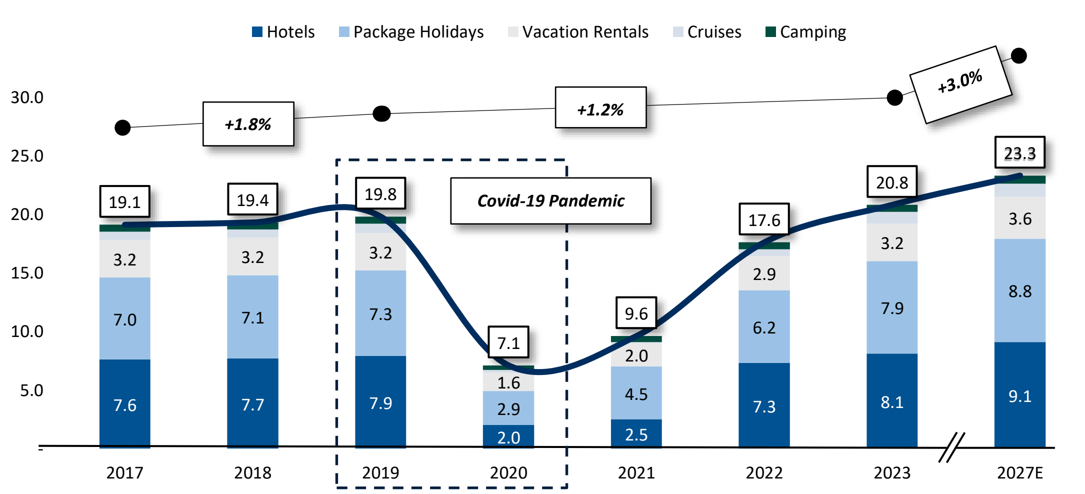


Source: World Bank, CAPMAS, Egyptian Tourism Authority

According to World Bank data, tourism in Egypt posted a **60% CAGR between 2020 and 2023** (45% between 2020 and 2024), mainly driven by the post-pandemic recovery. This trend is set to be consolidated in the coming years, with absolute volumes remaining significantly above 2010 and pre-pandemic levels.

Sharm el-Sheikh, located between the Sinai peninsula and the Red Sea, is a key centre for Egyptian tourism, in which the Preatoni Group is currently present with the **Domina Coral Bay Resort**. The area has a significant offering that is ideal for tourists, with 15km of coastline and over 200 hotels and resorts.
On the other hand, with over **95mn visitors in 2019**, Italy is among the most visited tourist destinations in the world.

Preatoni Group – Tourism Market in Italy: B2C Turnover Trend (€ bn)



Source: Websim Corporate on external research

Market research indicates that the Italian B2C tourism sector will be driven mainly by **package holidays and tourist accommodation**, with Preatoni Group holding a strategic positioning in the latter. Hotels in particular have a projected 2023-2027 CAGR of over 3%.

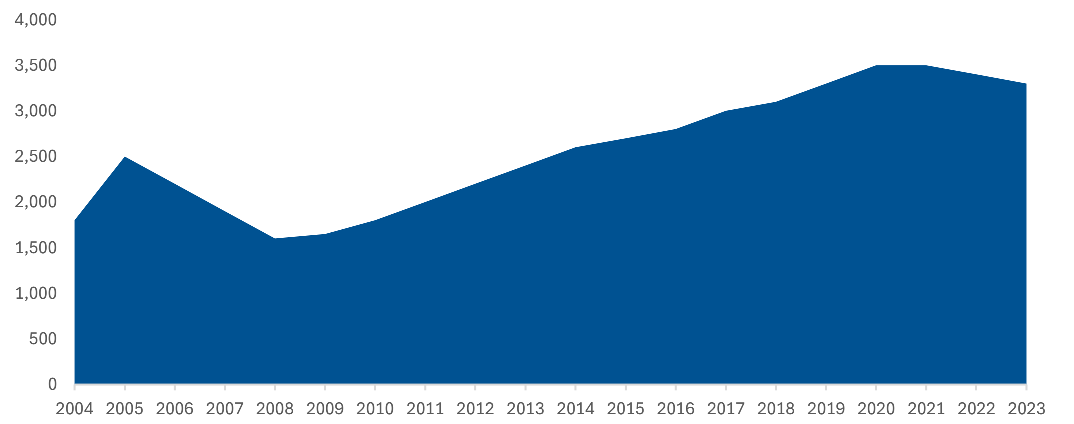
- **Milan** is confirmed as a leading destination for business tourism and as the world capital of luxury, fashion and design, with **8.5mn visitors in 2023** and 11.5mn in the metropolitan area, an average stay of 2.4 days and over 1,300 accommodation facilities listed online. Meetings, Incentives, Conferences and Exhibitions (**MICE**) is a strategic segment within the tourism business, with a direct impact on the profitability and visibility of hotels located in exhibition areas such as Fiera Milano. Proximity to the exhibition centre therefore offers a decisive competitive advantage, especially when integrated with tailor-made packages, transfer services and partnerships with trade fair and event organisers.
- Over **15mn tourists visited Sicily**, an 11% increase compared to 2022, with 8.1mn passengers travelling through Palermo airport (+14% on 2021), while Palermo alone has over 1,200 hotels.
- Finally, the German city of **Bad Kreuznach**, located about 90km from Frankfurt, is known as a spa town and is also home to companies such as Michelin and Schneider Optik. In **2022, it welcomed 130,000 visitors, generating 600,000 overnight stays** in clinics, hotels and tourist apartments, with around 100 accommodation facilities registered on Google.

The Real Estate Market

The Preatoni Group, through its subsidiary ProKapital, is one of the oldest real estate developers active in the Baltic capitals: Tallinn (Estonia), Riga (Latvia) and Vilnius (Lithuania).

The new residential real estate market in Tallinn. In 2023, the residential market was characterised by an average price increase of 3.8%, a much more modest increase than in previous years (+22% in 2022), which had been marked by growing demand, rising incomes, and fears of inflation. 2,100 apartments were completed (-5% compared to 2022). At the beginning of 2024, about 50 new projects were at various stages of completion in Tallinn (vs. c.60 at the beginning of 2023).

Preatoni Group – Residential Prices in Tallinn



Source: Websim Corporate on external research

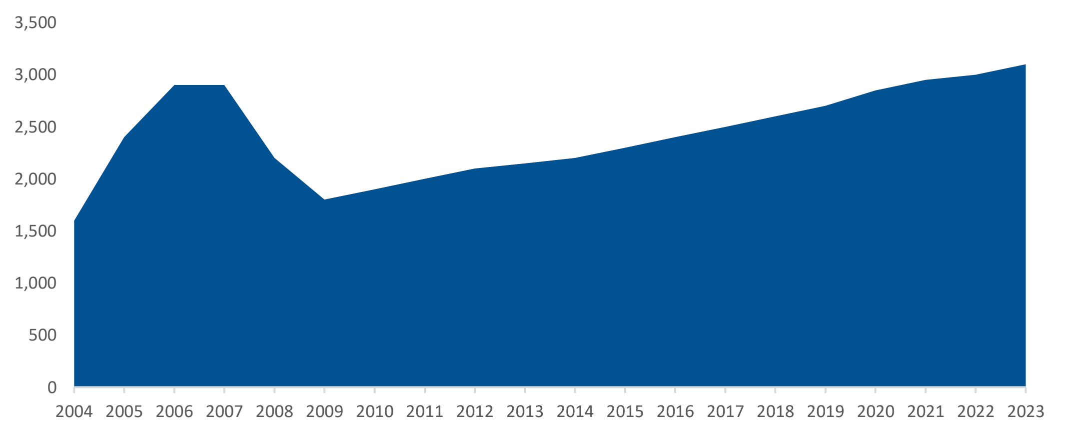
In 2022, the Preatoni Group realised projects with a value of **€4,527/m²**, a figure that rose to **€5,090/m²** in 2023. Not only does this increase confirm significant YoY growth, but also the company's stable positioning towards the **high end of the real estate market**. The numbers reflect an orientation towards superior housing solutions, characterised by high quality standards, central locations and a particular attention to design and services.

The new residential real estate market in Riga. In 2023, Riga's new residential real estate market was disrupted by several factors, such as the war in Ukraine, rising interest rates, surging construction costs, and the lack of availability of raw materials, which caused delays in completion and handover. 2,180 apartments were completed in 2023 (vs. 2,100 in 2022). At the end of 2023, there were around 580 new apartments for sale (compared to 412 at the end of 2022).

In 2022, the Preatoni Group realised projects in Riga with a value of **€2,800m²**, a figure that rose to **€3,900/m²** in 2023. This increase shows **marked YoY growth**, signalling a strengthening of the company's positioning in the **medium-high segment of the real estate market**. Trends in market values per square metre reflect a clear shift towards **higher quality projects**, with a growing focus on the choice of locations, finish quality and services offered.

As a result, projects in Riga increasingly stand out as **modern and competitive residential solutions**, able to attract a clientele that is attentive to both real estate value and living comfort.

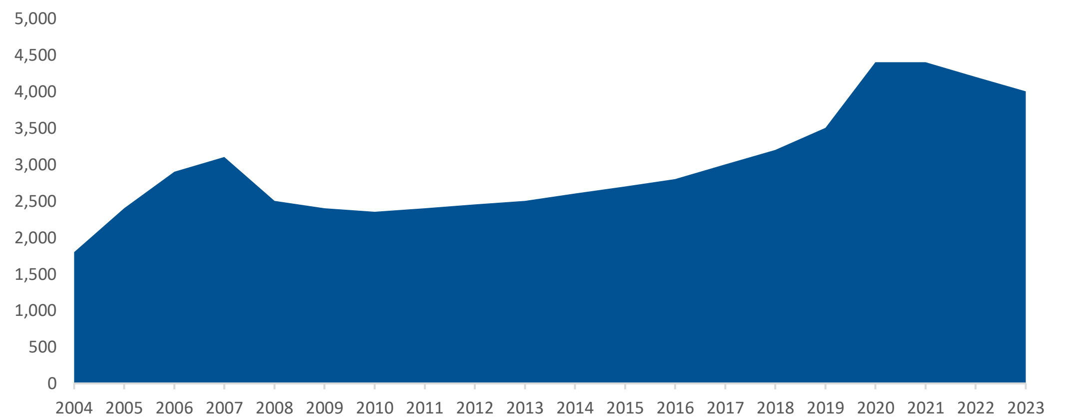
Preatoni Group – Residential Prices in Riga



Source: Websim Corporate on external research

The new residential real estate market in Vilnius. In 2023, Vilnius witnessed a slowdown in the new residential real estate market, with 2,190 apartments sold (or reserved) by agents, an 11% decline vs. 2022, which was already well down on the previous year (-65%). In 2023, 4,915 apartments were completed across 52 projects (+18% YoY, but below the estimate of 5,200).

Preatoni Group – Residential Prices in Vilnius



Source: Websim Corporate on external research

In 2022, the projects developed in Vilnius had an average value of **€4,237/m²**, rising to **€5,307/m²** in 2023. This significant increase underlines the strong growth trend, consolidating the city's status as one of the **most dynamic residential markets in the region**. The increase in values reflects an increasingly high-end housing offer, with projects that focus on architectural quality, sustainability and integration with the urban environment. Vilnius has therefore established itself as a destination capable of attracting demanding investors and residents, positioning itself in the **premium segment** of the emerging European real estate market.

Dubai's residential market recorded steady growth between 2022 and 2024, supported by high demand, legislative reforms, and an investment-friendly environment. Off-plan sales remain key, representing a significant share of total transactions. Developers focus on luxury and large-scale projects, responding to the growing demand for modern, sustainable properties.

Macroeconomic Context and Influencing Factors: Dubai's economic and political stability, supported by economic diversification initiatives, infrastructure development and legislative reforms (including on visas and residency), has strengthened the confidence of foreign investors. On the tax front, the absence of income taxes and the numerous benefits maintain Dubai as a privileged destination for real estate investments. Population growth and the influx of new residents from Asia, Europe and the Middle East have further fuelled demand in the residential sector.

Trends in Real Estate Prices and Sales Volumes: after the pandemic, real estate prices increased significantly, favoured by strong demand and housing shortages in some key areas. In **2024**, prices continued to rise at rates of between 5% and 8%, driven by demand for luxury residences in areas such as **Palm Jumeirah, Downtown Dubai and Dubai Marina**. Residential sale volumes continued to track a dynamic trend: October 2024 was the busiest month ever recorded, with **over 20,400 transactions**, marking an increase of 68.5% YoY.

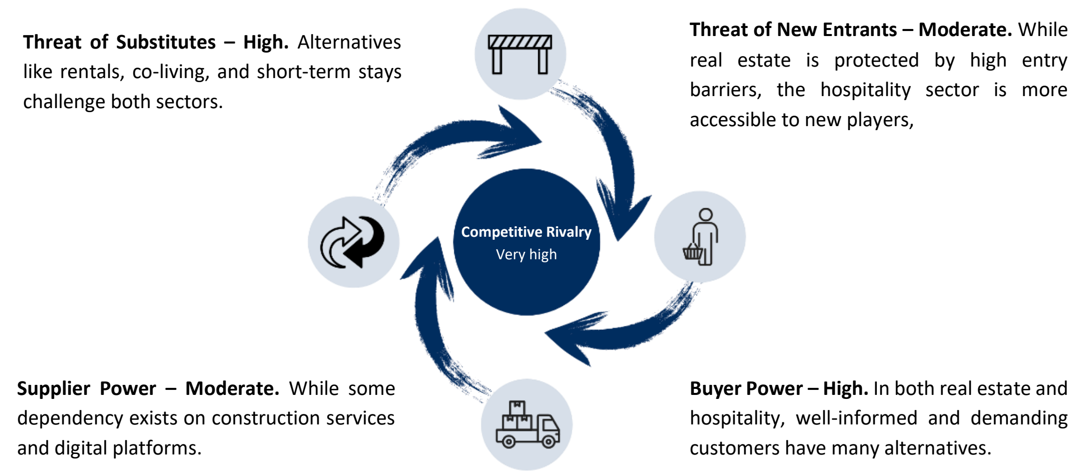
Trends and Prospects: Dubai's market continues to favour luxury residences and high-quality new construction, with a growing focus on sustainable and technologically-advanced projects, such as smart buildings. Regulation and funding remain central, with tax incentives and flexible payment options. New regulations on ownership and residence visas continue to attract international investors, cementing Dubai's position as a global real estate hub.

Competitive landscape

Preatoni Group operates in highly competitive areas, namely the real estate and hotel sectors, where pressure from demanding customers, determined competitors and alternative solutions is particularly high. The Company manages to maintain a solid position thanks to an **integrated strategy**, which combines real estate development and direct management of accommodation facilities, as well as maintaining a **strong focus on the medium-high and premium market segments.**

- **Threat of new entrants - Modest.** In the real estate sector, entry barriers such as the high initial capital required, complex bureaucratic procedures and difficulties in finding land in strategic positions limit access to new operators. The Group enjoys a significant competitive advantage thanks to its solid track record and consolidated skills. In the hotel sector, however, especially in tourist or metropolitan areas, new players such as boutique hotels, digital operators or alternative models (e.g. co-living) have easier entry points. The Preatoni Group's vertical integration, as both the developer and operator of hotels, represents a significant entry barrier for new competitors.
- **Suppliers bargaining power - Modest.** For real estate projects, the suppliers of raw materials and services (builders, designers, plant engineers) may have a certain degree of power, but the size and frequency of the Preatoni Group's projects allows it to negotiate favourable terms. In the hotel industry, suppliers also include technology platforms, booking systems and partners for ancillary services. Reliance on certain platforms (online travel agents such as Booking and Expedia) can increase costs, but strong brand positioning can mitigate this pressure.
- **Customers bargaining power - High.** In both real estate and hotels, the modern customer is more informed, demanding and attentive to the price/quality ratio. In high-end real estate, the final customer demands high standards, strategic locations and enhanced value over time, and can easily compare similar alternatives. In the hotel sector, the presence of numerous options (hotels, B&Bs, short-term rentals) entails a highly competitive market. Customers have high bargaining power, meaning operators constantly seek differentiation through exclusive services.
- **Threat of replacement products - High.** In the residential business, alternatives to house purchase include long-term rental, co-living, digital investments in real estate funds and other flexible solutions. In the hotel sector, short-term rental platforms (such as Airbnb), serviced apartments and hybrid hotels offer attractive alternatives, especially for a young and dynamic clientele. The Preatoni Group can counter this threat by offering experiential value.
- **Competitive rivalry - Very High.** The real estate sector, especially in European capitals and large cities, is highly competitive, with numerous local and international players competing in the same strategic areas. Competition in the hotel sector is even more intense, with large chains, lifestyle brands and independent operators adopting increasingly aggressive approaches. Preatoni stands out thanks to an integrated strategy and a consistent positioning in the medium-high and premium segments.

Preatoni Group – Competitive Landscape



Source: Websim Corporate

Peers: Preatoni Group's unique model

Preatoni Group has a highly integrated and diversified operating model, which combines real estate development and hotel management, making it difficult to identify directly comparable peers.

Nevertheless, reference operators can be identified for each business line. From this perspective, our analysis focuses on listed players active in the Real Estate Development sector on the one hand, and international hotel and hospitality operators on the other.

Preatoni Group – Competitive Landscape

Source: Websim Corporate

Financial analysis

The consolidated financial statements of the Preatoni Group for the period ending 31 December 2022 referred to an abbreviated period of six months. To allow comparison with the 2023 financial statements (audited), a pro-forma consolidated income statement (unaudited) was prepared for 2022. Interim 2023 and 2024 reports were not audited, as it is not a legal obligation.

2022-1H24: Preatoni Group Trends

The Group was formed through the **transfer of shares and loans** by Ernesto Preatoni relating to the business developed over a thirty-year period. The **contribution value of the main operating companies**, determined by external commissioners during the transfer process, is outlined in the following table.

Preatoni Group – Companies within the Group

Companies	Value at 100% (€ mn)	% bought	Final Amount (€ mn)
ProKapital Grupp - Baltic countries	180.0	49.6%	89.3
Preatoni Real Estate Development DMCC - PALAZZO PREATONI project in Dubai	10.0	100.0%	10.0
Know-how property restructuring in Dubai	10.0	100.0%	10.0
Real Estate Development	**200.0**	**-**	**109.3**
SICOT - Owner of the Domina Coral Bay Resort in Sharm El Sheikh	134.8	96.7%	130.3
NILE - Domina Coral Bay Resort operator	52.7	96.0%	50.6
Sunny Properties - Timeshare park operator at the Domina Coral Bay Resort	35.0	100.0%	35.0
Immobiliare Novate - Owner and operator of the Domina Fiera Milan hotel	15.0	67.0%	10.1
PK Sicily - Owner and operator of the Zagarella Resort	35.0	68.0%	23.8
Domina International - Owner of the Domina brand	3.0	100.0%	3.0
Interim holding debts	-	-	(15.9)
Hospitality	**275.4**	**-**	**236.9**
Intra-group receivables contributed	-	-	(14.9)
Total Contributions	**475.4**	**-**	**361.1**

Source: Websim Corporate

The **2023 financial statements** were prepared reflecting these **values**.

The initial consolidation of the Group's accounts, following the contributions on 25 October 2022, generated a **first-time consolidation difference** of Eu337.8mn. This difference represents the gap between the (appraised) **contribution values** and the transferred companies' corresponding **share of the net assets.** From 1 July 2022, the first-time consolidation difference, amounting to Eu358mn, was allocated to assets and liabilities in order to align them with the **current value**.

In 2022, the allocation of acquisition differences was recognised in the consolidated accounts of each entity in the Group's reporting currency (i.e. euro), whereas **IAS 21**[2] expressly requires them to be accounted in the **functional currency** of the entities concerned. Adjusting to this accounting standard led to the impact of exchange rate changes being recorded in the "**foreign currency translation reserve**" component of the Group's shareholders' equity. This correction was applied retrospectively, in accordance with IAS 8.

[2] IAS 21 establishes that assets must be accounted for in the functional currency, i.e. the currency of the primary economic environment in which the entity operates.

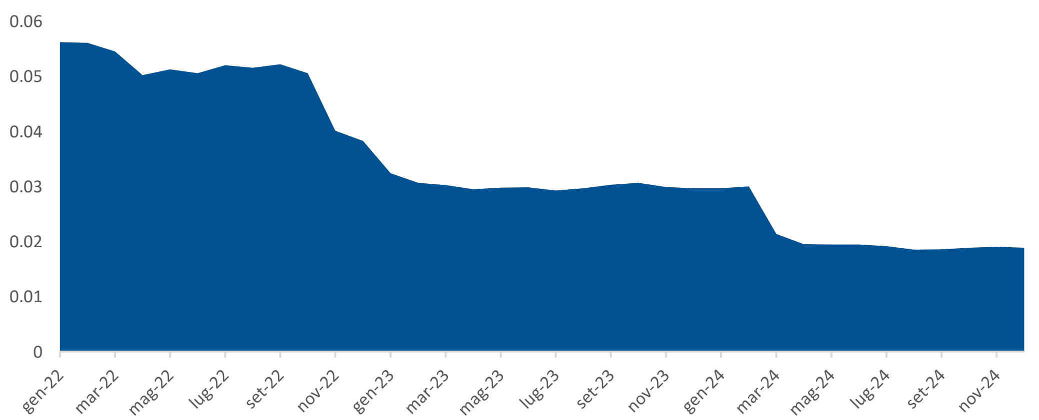
Preatoni Group – 2022-2024 Balance Sheet

€ mn	FY 2022A PF	FY 2023A	1H 2024A	FY 2024A
Intangible assets	149.2	137.5	123.3	112.6
Tangible assets	213.4	189.6	162.8	163.6
Financial assets	4.5	2.9	3.6	3.5
Fixed Assets	**367.1**	**330.0**	**289.8**	**279.7**
Inventory	35.3	36.8	45.4	57.9
Trade receivables	15.1	9.7	13.6	10.5
Trade payables	(14.0)	(12.9)	(15.0)	(13.1)
Operating Working Capital (OWC)	**36.4**	**33.6**	**44.0**	**55.3**
Other current assets	4.8	4.1	6.3	4.7
Other current liabilities	(30.5)	(11.3)	(14.3)	(25.0)
Net Working Capital	**10.8**	**26.4**	**36.1**	**35.0**
Other non-current assets (liabilities)	(28.2)	(31.1)	(24.1)	(30.5)
Net Invested Capital	**349.7**	**325.3**	**301.8**	**284.2**
ST Debt	(5.6)	(24.4)	(11.5)	(27.4)
LT Debt	(82.1)	(72.8)	(84.4)	(69.7)
Cash and Cash Equivalents	15.9	22.0	15.9	10.3
Net Cash (Debt)	**(71.9)**	**(75.1)**	**(80.0)**	**(86.8)**
Group equity	246.6	218.3	192.4	168.6
Minority interests	31.2	31.9	29.4	28.8
Total Shareholders' Equity	**277.8**	**250.2**	**221.8**	**197.4**
Total Sources	**349.7**	**325.3**	**301.8**	**284.2**

Source: Websim Corporate

The resulting accounting difference in assets was very significant for Egyptian entities. Indeed, the **Egyptian pound** devalued by 19% in October 2022, then a further 17% in January 2023 (see the evolution of the EGP/EUR exchange rate from 1 July 2022 to 30 September 2024). The implementation of a free-floating exchange rate led to a 38% depreciation in the currency in March 2024. This resulted in a steady, substantial reduction in the acquisition difference on Egyptian assets (Eu-57mn in 2022, Eu-24mn in 2023 and Eu-14mn as at 30 June 2024).

Preatoni Group – Egyptian Pound vs. Euro



Source: Websim Corporate on XE

The **valuation of the Preatoni Group's assets as at the end of 2023** was carried out applying **IAS 36**[3].

Management highlights that a significant part of the value of these companies within the Group is linked to the **future projects** detailed below:

- **Sicot, Nile and Sunny Properties**, which own and manage the Sharm el-Sheikh resort. The government authorities have formally agreed the right to build a third floor on existing buildings and increase the percentage of buildable area on authorised buildable land from 20% to 25%. Management intends to exploit these development opportunities, leading to global plans to **double capacity** in terms of the number of housing units that can be used both in traditional hotels and in timeshares. The Group has embarked upon a first phase through the **"Mastaba" project**, which involves the development of 36 stores on site, and is working on the first additional floor of the Aquamarine hotel.
- **PK Sicily (Zagarella resort)**. The Company has a licence that will allow it to offer customers access to a reserved beach starting from the 2026 season, where it will gradually be able to install equipment capable of offering highly profitable services.
- **ProKapital Grupp**. The Company has well-positioned land reserves (~250,000m^2) that enhance visibility on the development of new projects for the next 7 years (i.e. to 2032).

The application of **IAS 36** led to the Group recognising, as early as 2022, impairments on hotel-tourism sector assets for Eu60mn, of which Eu53mn related to assets at the **Sharm el-Sheikh** resort (Eu24mn on goodwill deriving from the acquisition of management of the site and Eu29mn on timeshare assets) and Eu7mn for the Zagarella resort.

The **table below** (as at 31 December 2023 - 2024) shows the values resulting from third-party valuations and the net book value of the assets in the **Hospitality & Tourism** (Parkhotel Kurhaus not included) business as a result of the application of the above accounting principles.

Preatoni Group – 2023 Valuation of Entities

€ mn	Goodwill	Real Estate	Deferred Tax	Net Book Value	External Valuation	Valuation Type
SICOT – Egypt	17.0	75.5	(17.0)	75.5	148.0	Real Estate
Nile – Egypt	23.8	-	-	23.8	50.0	Operations
Zagarella – Italy	2.8	36.8	(2.8)	36.8	52.0	RE & Operations
Novate – Italy	6.4	16.7	(0.7)	22.4	32.0	RE & Operations
Total	**50.0**	**129.0**	**(20.5)**	**158.5**	**282.0**	

Source: Websim Corporate

Preatoni Group – 2024 Valuation of Entities

€ mn	Goodwill	Real Estate	Deferred Tax	Social Value	Net Book Value	External Valuation	Valuation Type
SICOT – Egypt	10.8	48.2	(10.8)	0.9	49.2	145.0	Real Estate
Nile – Egypt	15.4	-	-	3.7	19.1	50.0	Operations
Zagarella – Italy	2.7	24.3	(2.7)	10.9	35.2	51.0	RE & Operations
Novate – Italy	6.4	(1.8)	(0.7)	18.7	22.7	33.0	RE & Operations
Total	**35.5**	**70.7**	**(14.3)**	**34.3**	**126.2**	**279.0**	

Source: Websim Corporate

Investments in property were valued (at fair value) at Eu40.6mn as at 31 December 2023 and Eu44.5mn at the end of 2024. This relates exclusively to land reserves at ProKapital Grupp. **This item is transferred to Inventory as soon as the real estate development programme is launched**. It is re-appraised annually, with the updated value booked as an annual adjustment of the income statement (+Eu6.2mn in 2022, +Eu1.9mn in 2023). **Other non-current assets** essentially correspond to **loans granted to related entities**.

Consolidated inventories amounted to Eu57.9mn at the end of 2024 vs. Eu36.8mn at the end of 2023 (compared to Eu35.3mn as at 31 December 2022) divided as follows between the Group's two business areas:

[3] **IAS 36 - Value in Use Calculation: 1)** Future cash flows must be based on realistic and reasonable forecasts, supported by budgets or financial plans approved by management, concerning the current use of the asset. **2)** The forecasts must not reflect the cash flows deriving from i) future restructuring to which the company has not yet committed; ii) future improvements in the performance of the activity not yet achieved (e.g. significant investments to expand production capacity or improve efficiency beyond the current level). **3)** They must instead include the cash flows related to future investments necessary to maintain the current performance level of the asset. **4)** Cash flows must be discounted using a discount rate (weighted average cost of capital - WACC or a rate appropriate to the specific risk of the asset).

- **Real Estate Development (ProKapital Grupp), Eu56.9mn at the end of 2024, Eu35.4mn as at 31 December 2023 and Eu34.2mn as at 31 December 2022.** This item consists of real estate projects under development and properties that are finished and ready for sale. In 2023, properties available for sale amounted to Eu5.5mn, with new marketable properties to be available for sale from the end of 2024. The trend of this item follows project development cycles.
- **Hospitality & Tourism, Eu1.1mn at the end of 2024, Eu1.4mn at 31 December 2023 and Eu1.1mn at 31 December 2022.** It mainly relates to consumable materials (crockery, cutlery, linen, etc.). This item remained relatively stable over the period.

Receivables from customers amounted to Eu10.5mn at the end of 2024, Eu9.7mn (restated) in 2023 (compared to Eu15.1mn at the end of 2022).

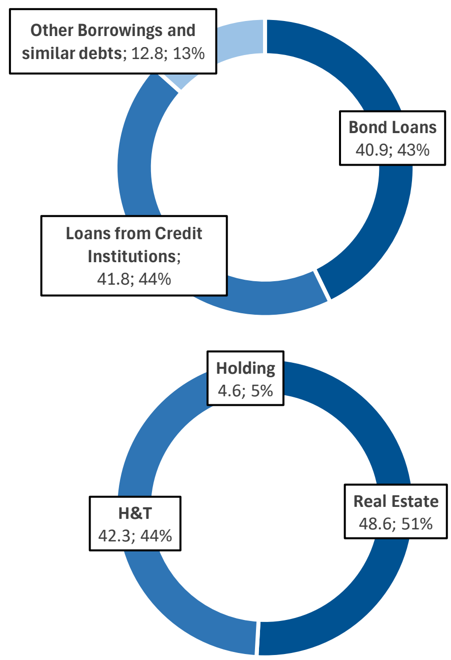
The **gross debt trend** (excluding IFRS 16 lease liabilities) between 31 December 2022 and 31 December 2024 is presented below:

Preatoni Group – 2022-2024 Liabilities Evolution

€ mn	FY 2022 PF	FY 2023A	FY 2024A
Bond loans	**48.2**	**48.5**	**40.9**
H&T		*9.3*	*9.7*
Real Estate		*39.2*	*30.2*
Holding		*-*	*1.0*
Loans from credit institutions	**27.7**	**30.3**	**41.8**
H&T		*25.6*	*24.0*
Real Estate		*4.8*	*17.8*
Holding		*0.1*	*nm*
Other borrowings and similar debts	**11.6**	**17.2**	**12.8**
H&T		*13.5*	*8.6*
Real Estate		*0.6*	*0.6*
Holding		*3.1*	*3.6*
Total	**87.5**	**96.1**	**95.5**
H&T		*48.4*	*42.3*
Real Estate		*44.6*	*48.6*
Holding		*3.2*	*4.6*

Source: Websim Corporate on Company data

Preatoni Group – 2024 Liabilities Breakdown



Source: Websim Corporate on Company data

The **bond issuers** are **AS ProKapital** and **Domina Vacanze Holding**. **Payables owed to banks** essentially pertain to Immobiliare Novate and PK Sicily for the financing of hotel acquisitions in Italy. **Other loans and similar payables** include loans granted by Dr. Ernesto Preatoni to the Hospitality & Tourism division.

Payables to suppliers amounted to Eu13.1mn at the end of 2024, Eu12.9mn in 2023, compared to Eu14.0mn at the end of 2022.

Other current payables amounted to Eu13.4mn at the end of 2024, Eu10.1mn in 2023, compared to Eu28.8mn at 31 December 2022. At the end of 2022 they included Eu12mn of payables to customers dating back to 2012, when timeshare contracts were adapted to the new Egyptian law on real estate ownership. These payables, which were never claimed or paid and are prescribed under Egyptian law, were cancelled in 2023, justifying the sharp drop in this item in the 2023 financial statements.

The Group's net financial position (net debt) at the end of 2023 was Eu75.1mn, vs. Eu71.9mn at YE22 (pro-forma). It reached Eu80mn in 1H24, and Eu86.8mn at the end of 2024.

The unfavourable trend in the Egyptian pound has reduced the book value of fixed assets, specifically Eu14mn of goodwill and Eu25mn of tangible fixed assets in Egypt, the counterpart of which is recorded under the "foreign currency translation reserve" component of equity.

Below is a comparison of the **income statement** for the financial years from 2022 (pro-forma consolidated, unaudited) to 2024.

Preatoni Group – 2022-2024 Income Statement

€ mn	FY 2022A PF	1H 2023A	FY 2023A	1H 2024A	FY 2024A
Real Estate Development Revenues	65.7	15.9	23.7	6.9	18.1
H&T Revenues	49.6	23.8	47.6	22.2	48.9
Total Revenues	**115.2**	**39.7**	**71.3**	**29.1**	**67.1**
Purchases	(82.0)	(25.9)	(51.9)	(19.4)	(50.0)
Gross Profit	**33.2**	**13.9**	**19.4**	**9.8**	**17.1**
Recurring costs	(25.9)	(10.7)	(23.5)	(9.7)	(16.8)
Profit from Recurring Operations	**7.3**	**3.2**	**(4.2)**	**0.1**	**0.3**
Non-recurring costs	(28.2)	(0.2)	(31.1)	(0.4)	(10.4)
EBIT	**(63.6)**	**3.0**	**8.7**	**(0.3)**	**(10.1)**
Financial income (expenses)	(10.6)	(7.5)	(7.9)	(1.4)	(4.6)
EBT	**(74.3)**	**(4.5)**	**0.8**	**(1.7)**	**(14.8)**
Taxes	(0.0)	0.4	(0.4)	(0.2)	(2.2)
Net Income	**(74.3)**	**(4.1)**	**0.5**	**(1.9)**	**(16.9)**
EBITDA	**25.4**	**6.8**	**19.1**	**2.5**	**1.9**

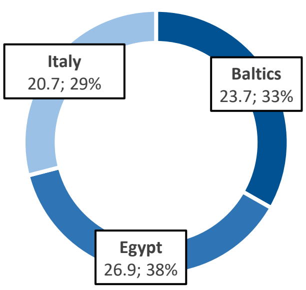
Source: Websim Corporate

Real Estate Development division revenues came to Eu23.7mn in 2023, vs. Eu65.7mn in 2022 (pro-forma). **The 2022 peak is linked to the handover of a significant number of lots, which also considerably reduced the inventory of properties available for sale in 2023.** The division accounted for more than **30% of the Group's 2023 turnover** (down from 57% in 2022), highlighting that the top line is highly sensitive to real estate projects' development and marketing cycles.

In 2021 activity in the **Hospitality & Tourism** division got back underway after Covid 19, and it continued to progress in 2022. It has surpassed pre-pandemic levels, despite the war between Russia and Ukraine and the subsequent tensions in the Middle East. Turnover grew steadily, reaching Eu47.6mn (restated) in 2023 from Eu49.6mn in 2022, more than double the Eu23.8mn posted in 2021.

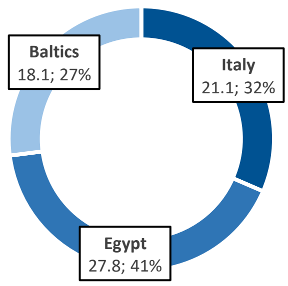
In 2023, the division accounted for around 70% of the Group's turnover, with occupancy rates growing progressively across all sites, and the Sharm el-Sheikh resort reaching an annual average of 87%. At the same time, the Group was also able to increase prices per room. In Italy, the **Domina Fiera Milan** hotel has seen the occupancy rate and **ADR grow healthily** with the return to normal activity of the Exhibition Park and the Milan Innovation District (MIND), which are located near the hotel. The **Zagarella resort has recorded a slightly slower recovery.** The planned opening of a dedicated beach in 2026 ("Lido Olivella"), with the subsequent completion of a "Beach Club" facility and a medical spa project, should increase the site's appeal and therefore improve its occupancy rate and ADR, as well as extending the number of months the resort can open, currently restricted to 7 per year.

Preatoni Group – 2023 Revenue Breakdown by Geography



Source: Websim Corporate on Company data

Preatoni Group – 2024 Revenue Breakdown by Geography



Source: Websim Corporate on Company data

From a geographical point of view, ProKapital Grupp's turnover (considered under Baltics: Eu23.7mn in 2023 and Eu65.7mn in 2022) **includes Eu5.4mn in 2023 and Eu3.3mn in 2022 for ProKapital's hotel business in Germany.**

2023 turnover in **Egypt** and **Italy** relating to hotel activities came to Eu26.9mn and Eu20.7mn respectively in 2023 (corresponding to 38% and 29% of the division's total turnover) with a 7% YoY growth rate in Egypt and a 15% YoY decrease in Italy.

D&A, impairments and provisions came to Eu9.8mn at YE23, vs. Eu12.0mn in 2022 (pro-forma), due to the impact of provisions on legacy receivables at Sicot, Domina VIP Travel and Sunny Properties (H&T division).

The impairment of acquisition differences saw losses of Eu77mn in 2022 and Eu0.5mn in 2023 on some group assets. This adjustment is mainly based on the inclusion of the valuation of future projects by external independent international companies, which must be excluded according to **IAS 36**.

Other income refers to the cancellation of **Eu12mn** of debts deriving from timeshare sales contracts signed before 2014 to ensure compliance with the new Egyptian law on real estate ownership. These payables have never been accounted for financially nor claimed. After the expiry of the limitation period, they were cancelled in the income statement.

Consolidated turnover was down 27% YoY in 1H24, **mainly due to the decline recorded by the real estate development hub** (i.e. Eu6.9mn as at 30 June 2024 vs. Eu15.9mn as at 30 June 2023). **The decrease in revenues is linked to the reduced stock of ProKapital properties available for sale, while the Baltic market remains well placed.**

Below we show the 2022 - 2024 **income statements of the group's two business areas**.

Preatoni Group – 2022-2024 H&T Income Statement

€ mn	FY 2022A PF	1H 2023A	FY 2023A	1H 2024A	FY 2024A
H&T Revenues	**49.6**	**23.8**	**52.3**	**22.2**	**48.9**
Purchases	(31.3)	(12.8)	(33.6)	(14.4)	(38.0)
Gross Profit	**18.2**	**11.0**	**18.8**	**7.8**	**11.0**
Recurring costs	(22.0)	(9.0)	(18.5)	(6.8)	(10.8)
Profit from Recurring Operations	**(3.8)**	**2.0**	**0.3**	**1.0**	**0.2**
Non-recurring costs	(67.1)	(0.2)	11.5	(0.2)	(0.3)
EBIT	**(71.0)**	**1.8**	**11.8**	**0.8**	**(0.1)**
Financial income (expenses)	(6.6)	(4.4)	(3.7)	1.3	0.2
EBT	**(77.5)**	**(2.6)**	**8.1**	**2.1**	**0.2**
Taxes	(0.0)	0.4	(0.2)	(0.2)	(2.0)
Net Income	**(77.6)**	**(2.2)**	**7.9**	**1.9**	**(1.8)**
EBITDA	**7.7**	**5.4**	**22.1**	**3.3**	**0.6**

Source: Websim Corporate

Please refer to our previous comments on turnover. The comparison between 2H22 figures (for the 6-month period to 31.12.2022) and FY22 (12-month figures) should be viewed in light of the negative impact of the beginning of the Russia-Ukraine conflict on the activity in Egypt in 1H22.

As for the comparison of **2022** and **2023** annual accounts, gross margin and personnel cost trends are influenced by the outsourcing of the Food & Beverage departments of Italian hotels.

The cost of debt remains stable. Other financial income and expenses correspond to the value adjustment of debts and receivables denominated in foreign currencies (in US dollars in the accounts of Egyptian entities). Specifically, the prescribed debts cancelled in 2023 generated significant foreign exchange losses, recorded as other financial charges in 2022.

In 1H24, Hospitality & Tourism activity fell by around 7% due to the impact of the Israeli-Palestinian conflict, which specifically affected the Sharm el-Sheikh resort, partially offset by an increase in room rates.

We note that the evaluation of **1H results** should include the following considerations:

- The site in Sicily (Zagarella resort) only opened in April
- Occupancy rates and room rates are generally higher in 2H than 1H.

In **1H23**, purchase invoices (Eu1.7mn) had been booked under other operating charges instead of under Purchases. This charge was reclassified at the end of 31.12.2023, with no impact on operating profit.

Preatoni Group – 2022-2024 RED Income Statement

€ mn	FY 2022A PF	1H 2023A	FY 2023A	1H 2024A	FY 2024A
RED Revenues	**65.7**	**15.9**	**23.7**	**6.9**	**18.1**
Purchases	(50.3)	(12.8)	(17.6)	(5.0)	(12.2)
Gross Profit	**15.3**	**3.1**	**6.1**	**1.9**	**5.9**
Recurring costs	(3.8)	(1.6)	(5.0)	(2.6)	(5.8)
Profit from Recurring Operations	**11.5**	**1.5**	**1.1**	**(0.7)**	**0.1**
Non-recurring costs	(3.8)	(0.1)	1.4	(0.3)	(10.2)
EBIT	**7.7**	**1.4**	**2.5**	**(1.0)**	**(10.0)**
Financial income (expenses)	(4.2)	(2.2)	(3.7)	(2.2)	(4.3)
EBT	**3.5**	**(0.7)**	**(1.2)**	**(3.2)**	**(14.4)**
Taxes	0.0	(0.0)	(0.0)	(0.0)	(0.1)
Net Income	**3.5**	**(0.7)**	**(1.3)**	**(3.2)**	**(14.5)**
EBITDA	**18.1**	**1.6**	**2.9**	**(0.7)**	**1.1**

Source: Websim Corporate

Please refer to our previous comments on turnover. Before the pandemic crisis, real estate development projects in Baltic countries were carried out through "turnkey" contracts.

The Company subsequently experienced difficulty in negotiating this type of contract. ProKapital has therefore adopted a so-called **"separate entity"** approach, setting up a dedicated branch called **ProKapital Engineering**, with a qualified multidisciplinary team that ensures oversight and management of projects[4].

This strategic change has led to improved margins on purchase costs in the face of an increase in personnel costs.

The **change in the fair value of investments** in real estate has gone from Eu6.2mn in 2022 to Eu2.0mn in 2023, as a result of the evolution of the appraisal values of the land reserves yet to be developed by ProKapital.

As already indicated, the lack of lots available for sale drove a drop in real estate development **turnover in 1H24**. The first margin on purchases improved substantially thanks to the 2023 implementation of the "separate entity" policy, which was fully operational in 2024.

2024: Latest results

2024 marked a YoY decline in the group's financial performance, mainly due to the weakness of the **Real Estate Development** division, which the improvement in **Hospitality & Tourism** is not yet capable of offsetting (2024 Revenues Eu67.1mn, -6% YoY, of which H&T Eu48.9mn and RED Eu18.1mn).

For the **RED** division, the year began with a limited stock of properties available for sale. Resources were focused on the construction of new buildings, which are expected to be sold in the current year and in 2026. Despite this construction phase, the pace of sales and pricing remained solid.

The **H&T** business line recorded a high occupancy rate, at 86.9% for the whole of 2024, a result achieved in the face of significant pricing efforts, made necessary by the geopolitical context.

An important factor affecting the Group's overall results was the application of **IFRS 15** to **timeshare** activities in Egypt. The transfer of multi-year (5 or 30-year) right of use for apartments, together with the

[4] "Separate entity" means a contractual mode in which the different phases or components of a project are managed and contracted separately, each with its own agreements, responsibilities and costs, instead of being included in a single global contract.

fee paid for annual hotel services, was treated as a provision of services. Consequently, revenues were recognised in proportion to the duration of the contract. This resulted in a reduction of approximately Eu4.6mn in consolidated turnover, EBITDA and net profit, as the associated costs were not distributed in the same way.

In addition, the 2024 financial statements include a complete write-down of the Group's know-how relating to the relaunch of distressed real estate projects. This Eu10mn impairment was necessary due to the impossibility of accurately quantifying the value of this expertise, although it was successfully applied in the **"Preatoni Tower"** project in Dubai. This change had a negative impact on the income statement and balance sheet for the period ending 31 December 2024.

Overall, net profit pertaining to the Group stood at Eu-14.7mn, in stark contrast to the 2023 result of Eu1.3mn, which included one-off income of c.Eu12mn.

As at 31 December 2024, **gross financial debt** (no IFRS 16, holding company included) remained relatively flat at Eu95.5mn (of which Eu40.9mn pertaining to bonds), compared to Eu96.1mn at the end of 2023. Available liquidity at the same date amounted to Eu10.3mn, down from Eu22mn at the end of 2023.

2025-2032 Estimates

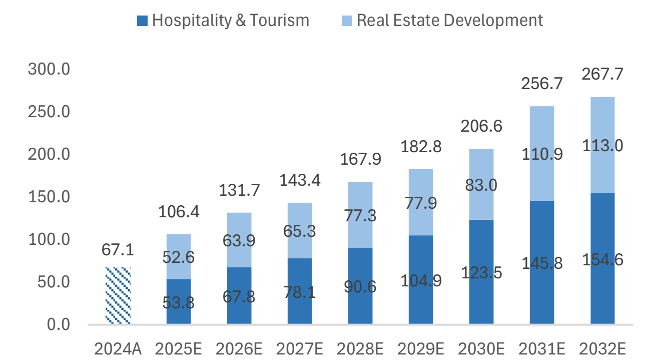
Below we outline our estimates for the Preatoni Group, broken down by operating division.

Our forecasts are based on the following preliminary assumptions:

- **Geopolitical scenario.** We do not take into account a potential deterioration in geopolitical risk, particularly with regard to conflicts in the Middle East and between Russia and Ukraine.
- **Exchange rate risk.** We assume limited exchange rate risk for the hotel business in Egypt (i.e. Domina Coral Bay). This assumption is based both on the difficulty of predicting the ForEx trend and on the fact that most revenues are generated in strong global currencies (e.g. EUR, USD), while operating costs are incurred mainly in local currency. As a result, any weakness in the Egyptian pound should benefit the margins of the business.

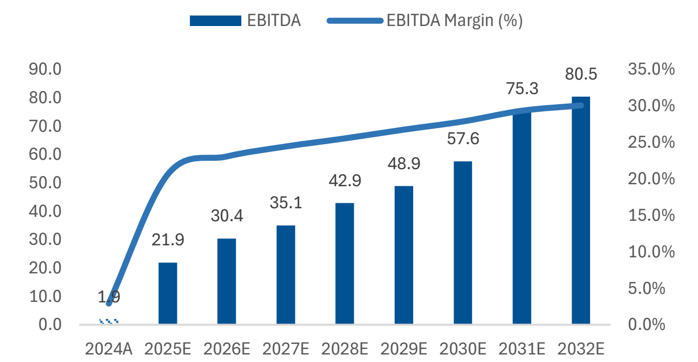
In the period under analysis, the Preatoni Group is expected to deliver a consolidated top growth CAGR of 19%. EBITDA is projected to grow at a 60% CAGR, reaching a margin of 30% on revenues at the end of the plan. This robust performance, supported by average operating cash generation of 15% on revenues, is expected to contribute to a progressive de-leveraging of the Group, with the net debt/EBITDA ratio expected to fall below 1x from 2028.

Preatoni Group – 2024-2032 Total Revenues (€ mn)



Source: Websim Corporate on Company data

Preatoni Group – 2024-2032 EBITDA (€ mn) & EBITDA Margin (%)



Source: Websim Corporate on Company data

Below we break down our estimates by division.

Real Estate Development

Our projections for the division focus **exclusively on real estate development activity in the Baltics**. The **Parkhotel Kurhaus** business, managed by ProKapital Grupp, is **included in the Hotel & Tourism division**, following the assimilation of the business.

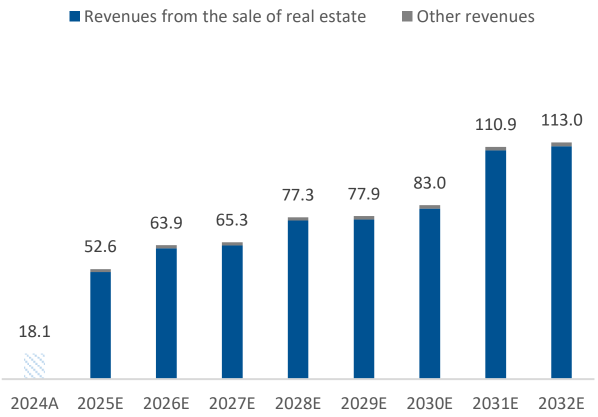
Our growth assumptions are based both on ongoing projects, as reported in ProKapital's quarterly financial report, and on the assumption of **future real estate developments** that will exploit the substantial land reserves available to the Company.

We assume that projects will be executed on a **separate entity basis**, with every single aspect and actor involved being managed internally and coordinated directly.

Revenues e KPI

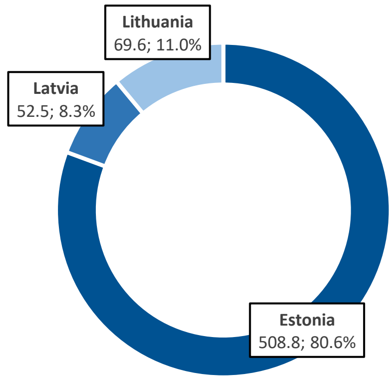
Total revenues for the division are calculated as the sum of: (i) revenues from the sale of **real estate development**, which represent almost all of the top line, and lesser contributions from other sources of revenues, namely (ii) revenues from maintenance and other services, (iii) revenues from **fees** on sales of real estate development, and (iv) revenues from **leases**.

Preatoni Group – 2024-2032 Real Estate Development Revenues



Source: Websim Corporate on Company data

Preatoni Group – 2025-2032 Geographical Breakdown of RED Revenues (%)



Source: Websim Corporate on Company data

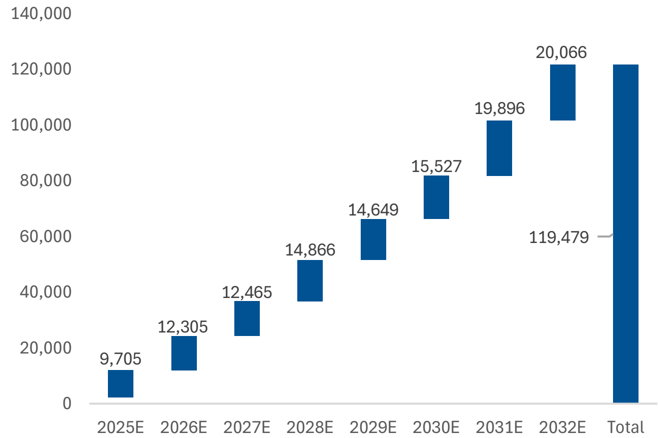
Based on the information collected on individual projects in progress and in the pipeline, we are forecasting a real estate development sales **CAGR of c.26%** (starting from 2024), with cumulative 2025-2032 revenues from real estate sales alone exceeding Eu630mn. We assume revenues from maintenance and other services, from property sales, fees and leasing, will generally remain stable over the period, with the contribution to the total remaining marginal (at around 2%).

Up to 2032, we assume average annual sales of 14,900m^2 (GBA), with a weighted average price of around Eu5,200/m^2. The breakdown by country is as follows:

- **Estonia c.11,900m^2 per year**, at an average price of Eu5,300/m^2 (projects: Kalaranna Kvartal, Kristiine City, Uus-Kindrali - White Building, Sammu Street 10/Seebi Street 24a);
- **Latvia c.2,100m^2** at an average price Eu3,100/m^2 (projects: Kliversala - Blue Marine);
- **Lithuania c.990m^2 per year**, at an average price of Eu8,700m^2 (projects: Šaltinių Namai Attico - Villas & Commercial Building, Naugarduko Street).

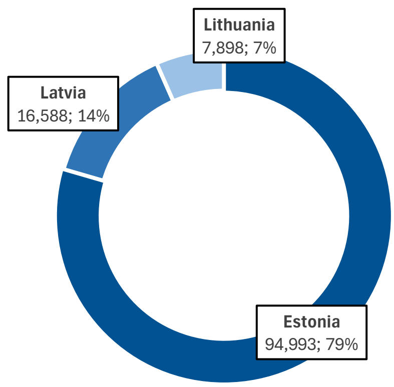
Cumulatively, between now and 2032 we assume **the use and sale of c.120,000m^2 (GBA)** of the c.250,000m^2 of land reserves available to the Company, which are valued at a total of Eu44.3mn (1Q25, Colliers). The amount remaining at the end of the estimate period supports the Terminal Value of the division.

Preatoni Group – 2025-2032 Evolution of Expected m^2 to be sold



Source: Websim Corporate on Company data

Preatoni Group – 2025-2032 Geographical Breakdown of m^2 to be sold (%)



Source: Websim Corporate on Company data

Profit margins

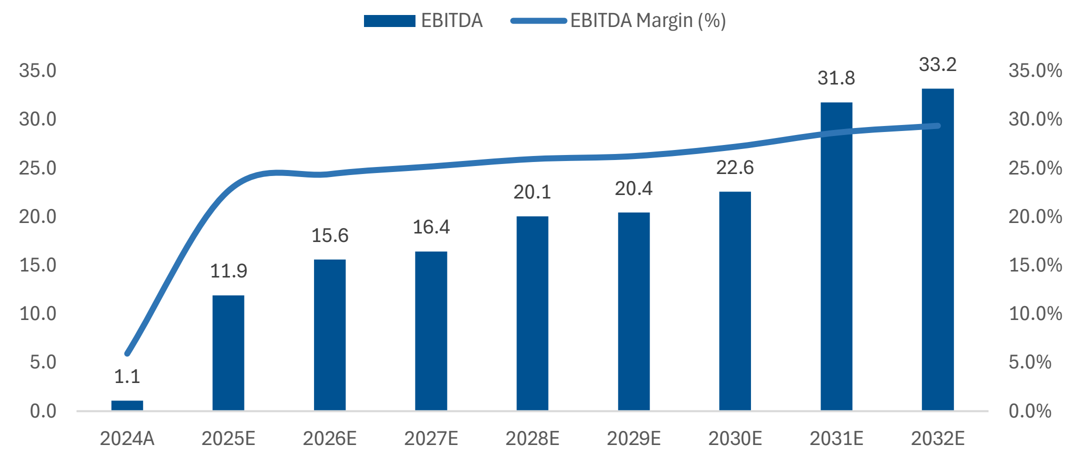
We consider the following main cost items for real estate development projects:

- **Land purchase**
- **Direct costs**, construction costs (foundations, reinforced concrete, carpentry, etc.); finishes (plaster, flooring, fixtures, etc.); systems (electrical, plumbing, heating, air conditioning, etc.)
- **Indirect costs**, design (architectural, structural, plant engineering); permits (urban planning fees, construction fees, building practices); oversight of works (DL, health and safety, accounting);

insurance (construction site insurance policy, Civil Liability for third parties, Civil Liability for the workforce, ten-year guarantees, etc.)

- **Marketing and sales and advertising costs, agency fees**
- **General overheads and administrative costs**
- **Financial costs** (interest payable on loans)

Preatoni Group – 2025E-2032E EBITDA Evolution (€ mn) & EBITDA Margin (%)



Source: Websim Corporate

We assume that, on average, costs incurred will reach **c.70% of the assumed sales revenues** per project, with marketing, administrative and financial costs accounting for 6%. In the estimate period, the divisions first margin should remain **just over 30%, on average**.

We estimate gradual growth in EBITDA, which should exceed **Eu170mn** in the **2025-32 period**. The margin is expected to improve steadily, averaging around **26%**.

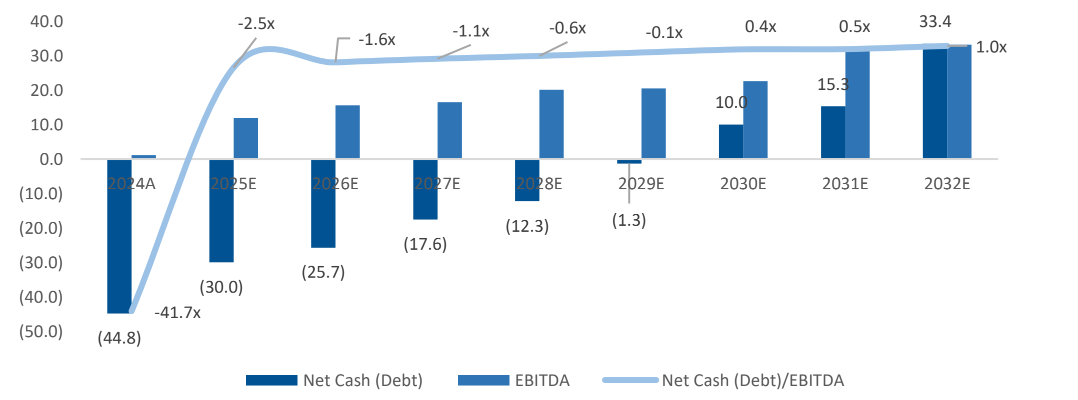
Limited D&A, financial charges only increasing in absolute terms and a constant tax rate of 20% for the coming years, should lead to an average **net profit margin of around 15% in the period**.

Balance Sheet

As individual projects develop there is increase in the cost of **Works in Progress** (WIP) under Inventories, for which we assume advance payments from customers (recorded in Net Working Capital as Customer Advances) will come to around 1/5 of the WIP generated, on average. When the final sale is signed at the handover of ownership, the **income is booked as revenues, and represents the profit on the project**.

In the estimate period, cash absorbed by working capital (i.e. WIP) is increasing, in line with the steady increase in GBA sold per year, but not on a straight-line basis, but rather reflecting the development cycles of projects, which **on average play out over 2-4 years**.

Preatoni Group – 2025-2032 Net Cash (Debt) (€ mn) vs. EBITDA (€ mn) Evolution



Source: Websim Corporate

We estimate a **gradual improvement in the net debt position** thanks to increased operating cash flow generation. Based on current real estate development projections, the **Net Financial Position (NFP)/EBITDA** ratio is expected to turn cash positive as of **2030**.

Other Projects

In addition to projects in the Baltics managed by **ProKapital**, the Preatoni group includes other projects within the Real Estate Development division, developed as stand-alone initiatives. The stand-out projects are.

The "Palazzo Preatoni" project - Dubai (formerly Niki Lauda Twin Towers)

The **"Palazzo Preatoni"** project involves 179 units and an area of over 23,300m^2. The stock does not include lots that could be made available to the Company again following termination of contracts with untraceable customers, as permitted by Dubai law, quantifiable at more than an additional 3,800m^2.

Market prices of comparable properties by type and location range from **Eu5,200** to Eu6,200 per m^2. While acknowledging the project's high standing, we cautiously choose to apply the **low end of this range**.

We assume **direct and indirect costs, marketing expenses, sales commissions and overheads will reach c.80% of revenues** (total costs estimated at c.Eu112mn).

Project **revenues are expected to exceed Eu141mn**, with an **estimated net profit of c.Eu29.2mn**, a margin of over 20%.

We assume the project will require initial financing equal to one fifth of the total development cost (i.e. c.Eu22.4mn, fully funded by equity, pro-rata per shareholder). Development is expected to be completed in 2028, with costs incurred to 2024 already at 10% of the total. We assume a further 20% of **total costs** will be incurred in 2025, 25% in 2026 and 45% in 2027. Sales **inflows** are projected as follows: 10% of the total in 2025, 20% in 2026, 40% in 2027 and 30% in 2028.

Discounting back net cash flows with a cautious WACC of 10% yields a **Net Present Value** of c.Eu17.6mn for the expected profit. Applying a cautious discount of 35% for execution risk, we reach an estimate of Eu11.4mn for the project's net profit, to be distributed pro-rata between the funders.

We note that the group's Dubai business is carried out through Preatoni RE DMCC, in which it currently owns 29%, with the other 71% pertaining to PLT Holding, so we estimate annualised **profit of Eu3.3mn** for the Preatoni Group.

While our assumptions factor in considerable execution risk, it should be noted that a **further reduction in the percentage stake in the joint venture would result in a proportional reduction in the present value of the Group's expected surplus**.

The "Mastaba" project - Egypt (Domina Coral Bay)

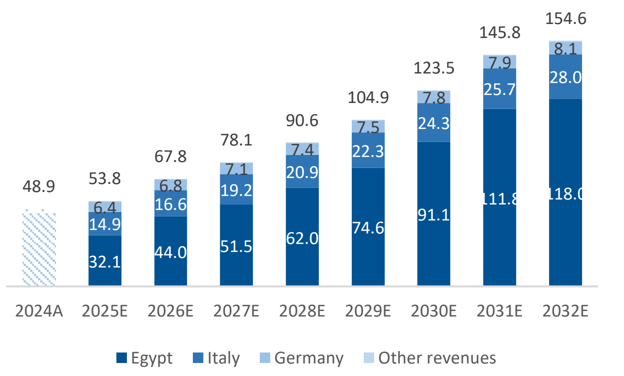
The "Mastaba" project concerns the development of a commercial area in the Domina Coral Bay resort in Egypt, and is part of a broader plan to expand the resort's accommodation capacity.

The project is expected to include the development of 36 stores. We assume an average selling price of USD175k (approx. Eu160k, Eur/Usd 1.10 - the 1Y average), generating total overall revenues of over USD6.3mn (over Eu5.7mn). Net of the costs of purchasing the right to use the land (from SICOT) and construction costs (we assume total costs will come to c.67% of sales revenues) we reach a pre-tax profit of USD2.1mn for the project (i.e. Eu1.9mn), a margin of over 30%.

Hospitality & Tourism

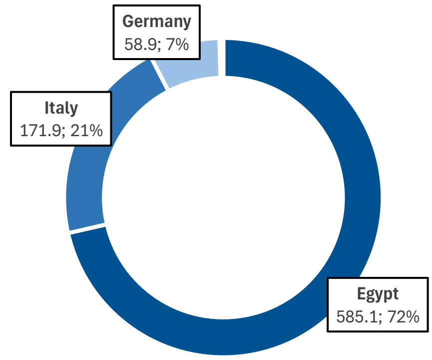
Our growth forecasts for the division are based on the assumption of organic growth in the business.
Based on information from the Group, our projections factor in a project to expand accommodation capacity at Domina Coral Bay. We also assume an increase in the services offered by Domina Zagarella, which should lengthen the resort's season as well as enable upgraded tariffs.
We reiterate that, just as the "Mastaba" real estate development project at Domina Coral Bay has been allocated to the Real Estate Development division, the activity of Parkhotel Kurhaus (within the scope of ProKapital Grupp) has been allocated to the Hospitality & Tourism division.

Preatoni Group – 2025-2032 Hotel & Tourism Revenues



Source: Websim Corporate on Company data

Preatoni Group – 2025-2032 Geographical Breakdown of H&T Revenues (%)



Source: Websim Corporate on Company data

Domina Coral Bay

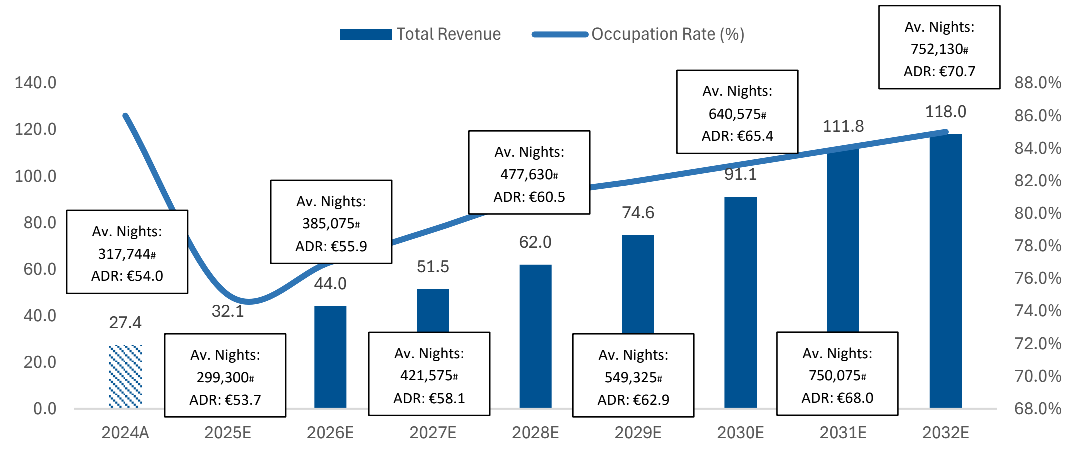
For the Sharm el-Sheikh resort we project a **2024-2032 CAGR of 20%**, assuming an increase of almost 2.4x in the **number of nights available** at the end of the plan (from c.320k in 2024 to over 750k in 2032), thanks to the execution of the plan to expand accommodation capacity. We assume an additional 100 sales units will be available from 2027, +150 in 2028, +200 in 2029, +250 in 2030 and +300 in 2031. At the end of the plan we estimate more than 2,000 rooms will be available, through an additional CapEx plan of c.Eu10.5mn.

We project a **c.4% CAGR** in **timeshare** sales. Consistent with the Group's accounting approach, for the Egyptian structure we allocate revenues for the 5-year and 30-year contracts over time (ex-IFRS 15), accounting for 30% and 70% of the value of new contracts respectively (we assume the number of contracts for the two maturities is equally split, with a unit value of Eu4.5k for the 5-year contract and Eu12k for the 30-year contract).

We expect a rising **occupancy rate and ADR**, the former expected to go from 75% in 2025 to over 85% in 2032, and the latter going from Eu54 in 2025 to Eu71 at the end of the plan, a 4% CAGR.

Revenues from Food & Beverage and Other services are assumed to remain at a constant proportion of total revenues, with the former averaging around 1/3 and the latter around 1/5 of the total.

Preatoni Group – 2025-2032 Coral Bay Revenue Evolution (€ mn)



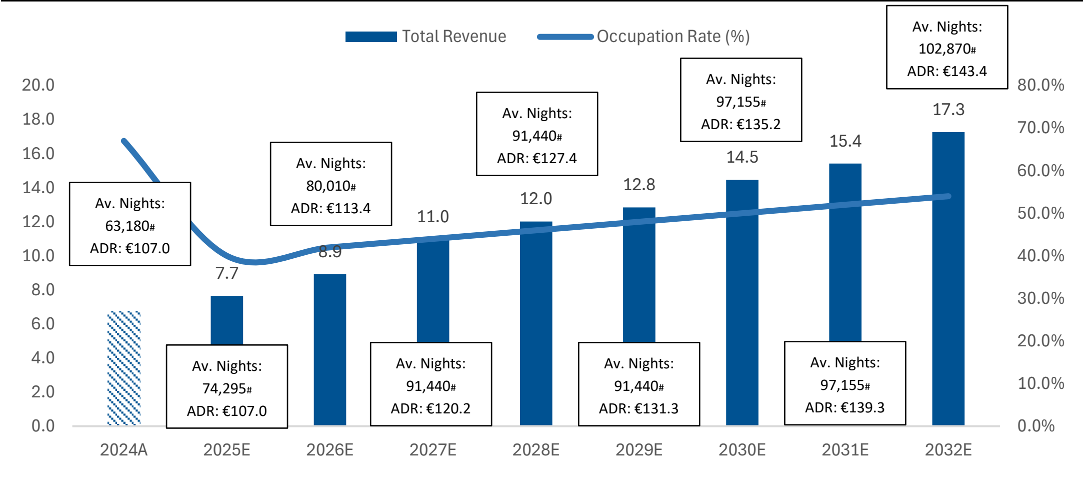
Source: Websim Corporate on Company data

Domina Zagarella

We estimate a **13% revenuey CAGR** in the period. Between 2025 and 2028, the resort is set to be subject to a consistent investment plan that should improve its standing and, therefore, its tariff positioning. Specifically, the following projects are planned: installation of photovoltaic panels in 2025, **"Lido Olivella"** development (between 2025 and 2026), **medical SPA construction** planned for 2027, the year in which the resort should extend its opening period, and, finally, a renovation plan for the rooms. Timeshare sales are booked on a "point in time" basis (ex IFRS 15).

In the period we assume the **number of available nights** will increase by 1.6x (from 63.2k in 2024 to c.103k in 2032), assuming steady growth in the number of opening days starting from 2027 and reaching an additional +75 opening days at the end of the plan compared to 2024.

Preatoni Group – 2025-2032 Domina Zagarella Revenue Evolution (€ mn)



Source: Websim Corporate on Company data

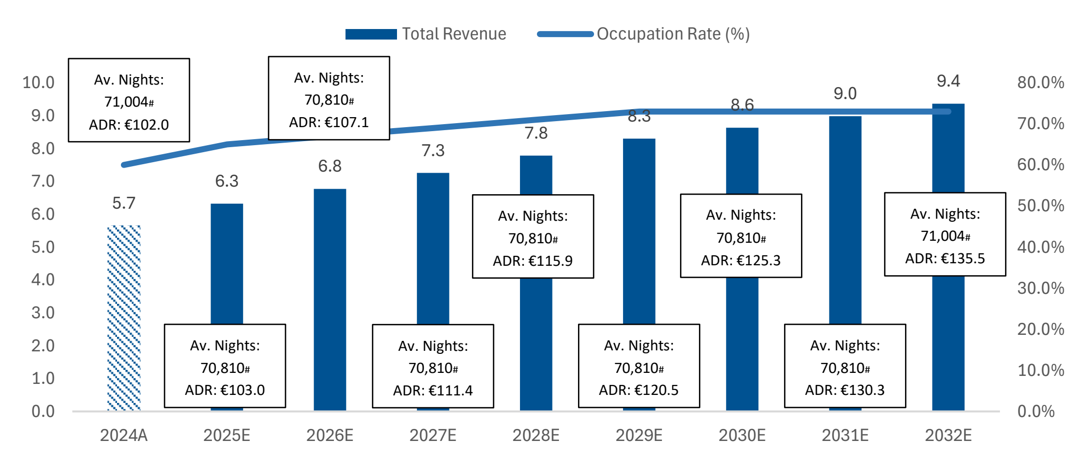
We expect **rising occupancy rate and ADR**, the former expected to go from 40% in 2025 to over 54% in 2032 and the latter going from Eu107 in 2025 to Eu143 at the end of the plan, a 4% CAGR.

Revenues from Food & Beverage and Other services are assumed to remain at a constant proportion of total revenues. Both come to 1/4 of the total on average, with MICE revenues alone accounting for around 5%.

Domina Fiera Milan

We estimate a **6% revenue CAGR** in the period. The hotel, which is conveniently located for the city centre, manages to serve both business customers, due to its proximity to the Rho and Expo exhibition area, and the significant tourist numbers pouring into the city of Milan in recent years.

Preatoni Group – 2025-2032 Domina Fiera Milan Revenue Evolution (€ mn)



Source: Websim Corporate on Company data

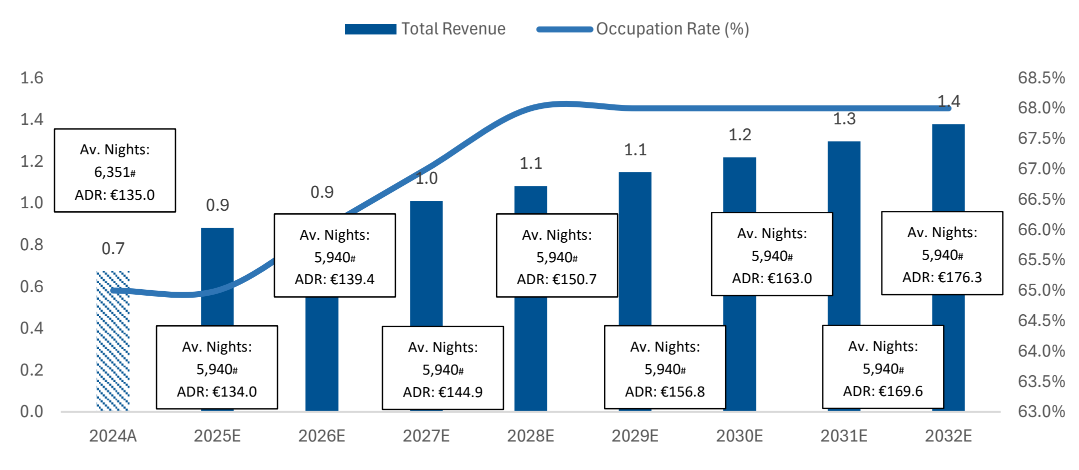
The **number of available nights** should remain steady in the period (around 71k), with **rising occupancy rate and ADR**, the former expected to go from 65% in 2025 to over 73% in 2032, and the latter going from Eu103 in 2025 to Eu136 at the end of the plan, a 4% CAGR.

Revenues from Food & Beverage and Other services are assumed to remain at a constant proportion of total revenues, with the former accounting for just over 20% of the total and the latter a marginal 3%.

Domina Borgo degli Ulivi

We estimate a **9% revenue CAGR** in the period. Timeshare sales are booked on a "point in time" basis (ex IFRS 15).

Preatoni Group – 2025-2032 Domina Borgo degli Ulivi Revenue Evolution (€ mn)



Source: Websim Corporate on Company data

The number of days of opening remaining steady at around 220 per year should keep the **number of available nights** above 5.9k. The **occupancy rate** is expected to increase, rising from 65% in 2025 to around 68% at the end of the plan. We expect a **+3% ADR CAGR**, i.e. to go from Eu134 in 2025 to Eu176 in 2032.

Revenues from Food & Beverage are assumed to remain consistently below 10% of total revenues, with minimal revenues from other sources.

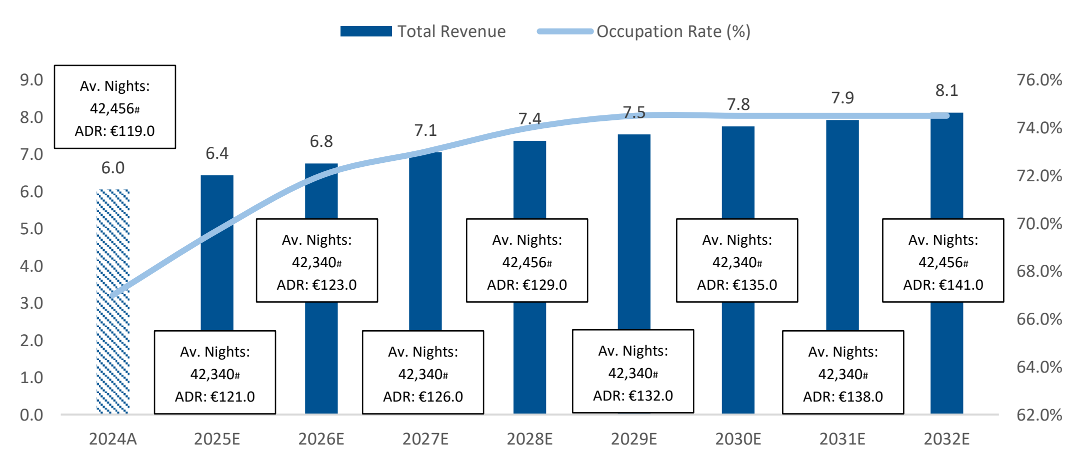
Parkhotel Kurhaus

We estimate a **4% revenue CAGR** in the period.

The **number of available nights** should remain steady at just under 42.4k. We expect **rising occupancy rate** and **ADR**, the former expected to go from 70% in 2025 to over 75% in 2032 and the latter going from Eu121 in 2025 to Eu141 at the end of the plan, a 2% CAGR.

We assume other revenues will remain stable, at 45% of turnover on average.

Preatoni Group – 2025-2032 Parkhotel Kurhaus Revenue Evolution (€ mn)



Source: Websim Corporate on Company data

Other Revenues

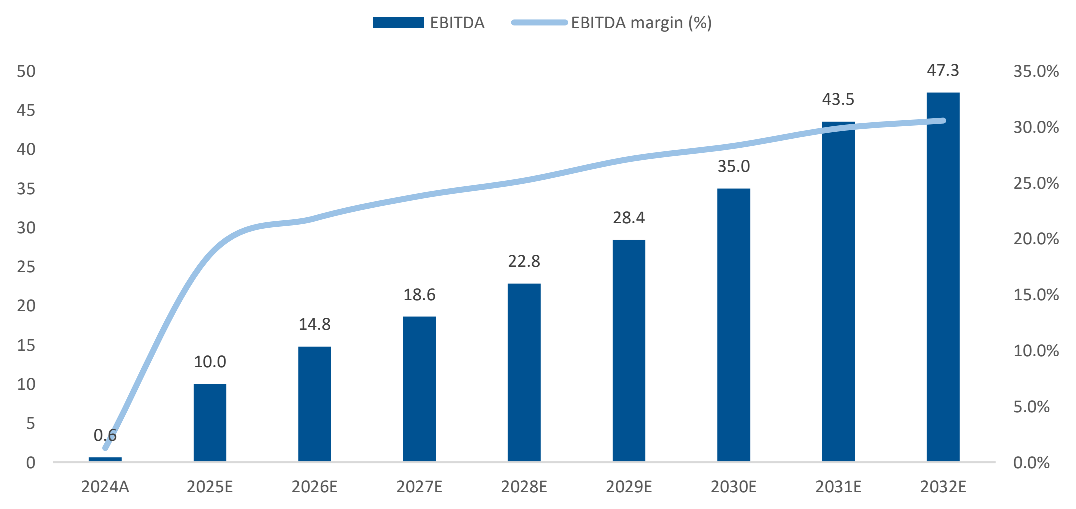
These relate to the combined turnover of companies **Domina Srl** and **Domina International SA**. The first relates to timeshare sales, revenues are largely intercompany with a minority coming from services for third parties. The second holds the "Domina" brand and receives royalties from hotels outside the consolidation base. Although these revenues are marginal, we choose to represent them separately and project them growing at a **4% CAGR** over the period.

Profit margins

The Domina Coral Bay resort invoices almost all **revenues in EUR and USD**, while costs are incurred in Egyptian pounds (EGP), so any further depreciation of the local currency should have a positive impact on margins.
A brief examination of **trends in the country's inflation**, which was moderate (just over 5%) until 2021, is also necessary; a sharp surge from 2022 to 2024 saw it peaking at almost 34% in 2023, leading to a substantial subsequent devaluation of the currency; it started to ease in 2024, and the trend for 2025 (May) points to levels of around 17%.
Below we report cost and profit margins for the division as a whole.
Our estimates assume a gross margin of just under 40% for the business line in the entire period. Direct costs associated with the activity come to more than 60% of turnover (on average), while personnel costs are estimated to grow in absolute terms from Eu8.8mn in 2024 to Eu11.2mn in 2032, with an impact on turnover at the end of the plan of just over 7%.
Specifically, we expect the total number of employees to have reached **1,582 by the end of 2024** (1,529 in Egypt, 53 between Italy and Switzerland), with a particularly sharp increase at the Domina Coral Bay resort, consistent with accommodation expansion plans. We project an increase of over 200 employees in the period, bringing Domina Coral Bay's workforce to 1,730 by the end of 2032 (1,783 for the overall division).
Based on these assumptions, the division's profitability should steadily improve. We expect a 2024-2032 **EBITDA CAGR of c.72%** (i.e. from Eu0.62mn to Eu47mn), with the margin going from just under 19% to over 30% at the end of the plan.
Consistent with the CapEx plan, depreciation is projected to increase, going from Eu2.1mn in 2025 to Eu5.3mn in 2032, with EBIT therefore expected to go from Eu7.9mn in 2025 to Eu42mn in 2032.

In the face of increasing financial charges, due to the need for greater financing for the investment plan, and with a stable tax rate of 25%, it is estimated that the **net profit margin** will increase progressively, reaching an average value of 13.5%.

Preatoni Group – 2025-2032 EBITDA (€ mn) vs. EBITDA Margin (%) Evolution



Source: Websim Corporate

Balance Sheet

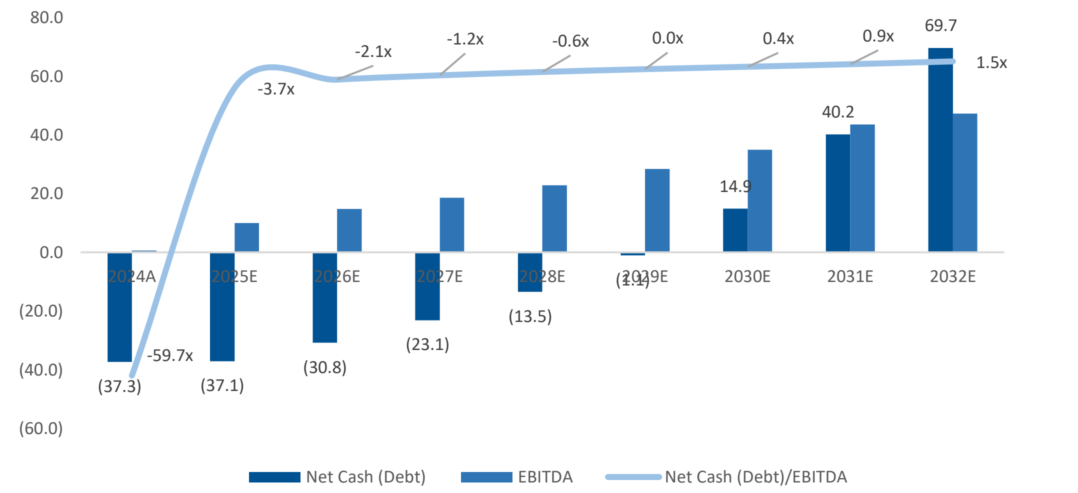
The business units net working capital should remain constant in relative terms over the period, at around 10% of turnover.

The substantial CapEx plan should represent 2-3% of revenues in 2025-2026 and 2031-2032, while in the intermediate period between 2027 and 2030 it should position itself at around 5% of the top line.

From 2025 to 2032, we quantify the cumulative **investment plan for the business line at c.Eu29.4mn**, of which c.Eu3mn for Domina Zagarella and Eu10.4mn for the Domina Coral Bay expansion plan.

We estimate a **gradual improvement in the net debt position** thanks to **increased operating cash flow** generation.

Preatoni Group – 2025-2032 Net Debt (€ mn) vs. EBITDA (€ mn) Evolution



Source: Websim Corporate

Valuation

We have chosen a **Sum of the Parts (SOP)** method to value the **Preatoni Group**. We believe this approach is the most effective in reflecting the **intrinsic value** of a holding company active in business sectors and geographical markets with distinct dynamics and risk-return profiles. Our choice was motivated by the widely differing growth drivers for the two divisions. An SOP model allows us to overcome the limitations of an aggregate valuation, providing a more **granular and accurate** estimate of the value of the individual divisions before group-level consolidation.

Specifically:

- For both the **Real Estate Development** division (ProKapital - Baltic countries) and **Hospitality & Tourism** activities, we applied a Discounted Cash Flow (DCF) methodology.
- **Real estate development projects**, both ongoing and in the pipeline (such as **"Palazzo Preatoni"** in Dubai and **"Mastaba"** in Egypt), were individually assessed using a Net Present Value (NPV) model.

Real Estate Development

Our DCF model is based on explicit projections running to 2032. We have estimated a 2024-32 turnover CAGR of 25.7%.

We assumed an **EBITDA margin of 27%** in perpetuity. This value is in line with sector peers and takes into account our margin estimates for projects currently in the pipeline.

The main assumptions underpinning our model are summarised below:

- **Risk-Free rate** of **4.0%**.
- **Equity Risk Premium** set at **6.0%**.
- **Unlevered beta** of **0.7**, higher than the unlevered beta suggested by Damodaran for the Real Estate Development sector (i.e. 0.57), reflecting a more cautious stance on the division's risk profile.
- **Terminal growth rate, "g", at zero**, which corresponds to a negative real rate of 2%, assuming a long-term inflation rate of 2%.

Our assumptions lead to the determination of a **WACC** of **8.2%**.

Preatoni Group – Real Estate Development Discounted Cash Flow Model (€ mn)

	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028	31/12/2029	31/12/2030	31/12/2031	31/12/2032	TV
€ mn	**FY 2024A**	**FY 2025E**	**FY 2026E**	**FY 2027E**	**FY 2028E**	**FY 2029E**	**FY 2030E**	**FY 2031E**	**FY 2032E**	**TV**
Revenues	**18.1**	**52.6**	**63.9**	**65.3**	**77.3**	**77.9**	**83.0**	**110.9**	**113.0**	**113.0**
YoY Growth (%)	*-23.5%*	*189.9%*	*21.6%*	*2.1%*	*18.4%*	*0.7%*	*6.6%*	*33.6%*	*1.9%*	*0.0%*
EBITDA	**1.1**	**11.9**	**15.6**	**16.4**	**20.1**	**20.4**	**22.6**	**31.8**	**33.2**	**30.5**
EBITDA Margin (%)	*5.9%*	*22.7%*	*24.4%*	*25.2%*	*25.9%*	*26.2%*	*27.2%*	*28.7%*	*29.4%*	*27.0%*
D&A	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.8)
EBIT	**0.5**	**11.2**	**14.9**	**15.7**	**19.3**	**19.7**	**21.9**	**31.1**	**32.5**	**29.7**
EBIT Margin (%)	*2.5%*	*21.3%*	*23.2%*	*24.1%*	*25.0%*	*25.3%*	*26.3%*	*28.0%*	*28.7%*	*26.3%*
Taxes	(0.1)	0.0	(1.5)	(2.3)	(2.9)	(2.9)	(3.3)	(5.0)	(5.1)	(5.9)
Tax Rate (%)	*-0.6%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*
NOPAT	**0.4**	**11.2**	**13.3**	**13.4**	**16.4**	**16.8**	**18.5**	**26.0**	**27.3**	**23.8**
D&A	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8
Δ Net Working Capital	(9.6)	9.2	(4.4)	(1.1)	(6.5)	(0.9)	(2.3)	(14.8)	(2.4)	0.0
Capex	(0.6)	(0.6)	(0.5)	(0.5)	(0.6)	(0.5)	(0.5)	(0.7)	(0.7)	(0.8)
Free Cash Flow	**(9.1)**	**20.5**	**9.0**	**12.5**	**10.0**	**16.0**	**16.4**	**11.3**	**25.0**	**23.8**
Discounting Factor	*1.0*	*1.0*	*0.9*	*0.8*	*0.8*	*0.7*	*0.7*	*0.6*	*0.6*	*0.5*
Discounted FCF	**(9.1)**	**20.5**	**8.3**	**10.6**	**7.8**	**11.6**	**11.0**	**7.0**	**14.4**	**12.7**

Source: Websim Corporate

Preatoni Group – RED DCF Summary Table

Summary Table	€ mn	
A) 2025-2032 Discounted Cash Flows	**91.2**	**37%**
Terminal Value	261.0	
Discounting Factor	0.5	
B) Discounted Terminal Value	120.0	**63%**
C) Enterprise Value	**245.6**	**100%**
NFP @ YE24	(44.8)	
Equity Value	**200.8**	

Source: Websim Corporate on Company data

Preatoni Group – RED Sensitivity Analysis

WACC \ g	-1.0%	-0.5%	0.0%	0.5%	1.0%
6.2%	248.4	264.6	**283.4**	305.5	331.8
6.7%	228.4	242.0	**257.6**	275.8	297.2
7.2%	211.0	222.6	**235.7**	250.9	268.5
7.7%	195.9	205.8	**217.0**	229.7	244.4
8.2%	**182.6**	**191.2**	**200.8**	**211.6**	**223.9**
8.7%	170.9	178.3	**186.6**	195.9	206.4
9.2%	160.5	167.0	**174.2**	182.2	191.2
9.7%	151.3	157.0	**163.3**	170.2	178.0
10.2%	143.0	148.1	**153.6**	159.7	166.4

Source: Websim Corporate on Company data

The table on the left summarises the results of our valuation. It shows an **Enterprise Value** of **Eu245.6mn**, of which **63%** is attributable to the company's terminal value. Consequently, the **Equity Value** of the Group's real estate development activity in the Baltic States is estimated at **Eu200.8mn**.

A sensitivity analysis reveals that even in the **worst-case scenario**, featuring a terminal growth rate of **-1%** and a 200bp increase in **WACC to 10.2%**, our projections indicate an **Equity Value**, just for ProKapital's real estate development activities in the Baltics, of **Eu143mn**. This shows **significant upside of over 80%** to the stock's current market capitalisation of **c.Eu80mn**.

It is crucial to note that this market capitalisation includes hotel activity in Germany (i.e. **Parkhotel Kurhaus**, for which we estimate a fair equity value of Eu13.5mn), **whose valuation has been included in our analysis of the group's Hospitality & Tourism division.**

Other Projects

Below are details of the two ongoing real estate development projects.

For the **Palazzo Preatoni** project, we forecast **discounted back profit of Eu17.6mn**, assuming a **WACC of 10%**. After cautiously applying **35% execution risk**, we reach profit of **Eu11.4mn**. The **proportion of discounted-back profit currently pertaining to the group stands at Eu3.3mn**, based on its 29% stake in Preatoni RE DMCC. **Assuming equity is apportioned proportionally between the two shareholders, the valuation of the group's investment in Dubai is Eu9.8mn**.

Preatoni Group – RED Palazzo Preatoni Project

	Summary Table	€ k	GBA/M²	Selling Price/M²	%
Shareholder Contribution	PLT Holding	15,868			71%
	PSH – Preatoni Group	6,481			29%
	Total Shareholders Contribution	**22,350**			**100%**
Profit Calculation	Revenues	121,160	23,300	5,200	100%
	Non-reachable client	19,760	3,800	5,200	100%
	Total Revenues	**140,920**			
	Costs	(105,690)			-75%
	Sales Fee	(6,058)			-5%
	Total Costs	**(111,748)**			**-80%**
	Expected Profit	**29,172**			**21%**
	NPV of Profit (excl. Execution Risk)	**17,581**			
	Execution Risk	(6,153)			-35%
	NPV of Profit	**11,427**			
Valuation	**Profit Share**				
	PLT Holding	8,113			71%
	PSH – Preatoni Group	3,314			29%
	PSH Valuation				
	Equity Stake	6,481			
	Project Profit	3,314			
	Total Valuation	**9,795**			

Source: Websim Corporate

Preatoni Group – RED Palazzo Preatoni Project NAV (€ k)

NPV	2024	2025	2026	2027	2028	Total Inflows/Outflows
Expected Project Revenues	-	14,092	28,184	56,368	42,276	140,920
Expected Project Costs	(11,175)	(22,350)	(27,937)	(50,287)	-	(111,748)
Net Cash Flow	**(11,175)**	**(8,258)**	**247**	**6,081**	**42,276**	**29,172**
Discounting Factor	*1.0*	*1.0*	*0.9*	*0.8*	*0.8*	
Discounted Cash Flow	**(11,175)**	**(8,258)**	**225**	**5,026**	**31,763**	**17,581**

IRR	**21%**
ROI	**131%**
MOIC	**1.3x**

Source: Websim Corporate

The **Mastaba** project is estimated to generate a **discounted back profit of Eu1.8mn**, assuming a WACC of 10%.

Preatoni Group – RED Mastaba Project

Summary Table	€ k	
Stores (#)	36	
Average Selling Price	159.1	
Total Revenues	**5,727**	
Total Costs	(3,826)	-67%
Purchase of lang usage rights from SICOT	*(1,833)*	
Phase 1 – shell structure	*(401)*	
Phase 2 – finishing	*(1,592)*	
Expected Profit	**1,902**	33%
Net Present Value of Profit	**1,815**	

Source: Websim Corporate on Company data

Preatoni Group – Mastaba Project NPV (€ k)

NPV	2025	2026	Total Inflows/Outflows
Expected Project Revenues	2,864	2,864	5,727
Expected Project Costs	(1,913)	(1,913)	(3.826)
Net Cash Flow	**951**	**951**	**1,901**
Discounting Factor	*1.0*	*0.9*	
Discounted Cash Flow	**951**	**864**	**1,815**
MOIC	**1.5x**		

Source: Websim Corporate on Company data

Hospitality & Tourism

Our DCF model is based on **explicit projections** running to 2032, with a 2024-32 turnover CAGR of 15%.

We assumed an **EBITDA margin of 30% in perpetuity**. This reflects the strategic investments planned to revamp the tariff plan in some hotels, with the aim of improving their performance, and is in line with the margins witnessed in similar companies operating in the same **target market**.

Preatoni Group – Hospitality & Tourism Discounted Cash Flow Model (€ mn)

	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028	31/12/2029	31/12/2030	31/12/2031	31/12/2032	TV
€ mn	**FY 2024A**	**FY 2025E**	**FY 2026E**	**FY 2027E**	**FY 2028E**	**FY 2029E**	**FY 2030E**	**FY 2031E**	**FY 2032E**	**TV**
Revenues	**48.9**	**53.8**	**67.8**	**78.1**	**90.6**	**104.9**	**123.5**	**145.8**	**154.6**	**160.0**
YoY Growth (%)	*2.8%*	*9.9%*	*26.0%*	*15.3%*	*15.9%*	*15.8%*	*17.8%*	*18.0%*	*6.0%*	*3.5%*
EBITDA	**0.6**	**10.0**	**14.8**	**18.6**	**22.8**	**28.4**	**35.0**	**43.5**	**47.3**	**48.0**
EBITDA Margin (%)	*1.3%*	*18.6%*	*21.8%*	*23.8%*	*25.2%*	*27.1%*	*28.3%*	*29.9%*	*30.6%*	*30.0%*
D&A	(0.4)	(2.1)	(2.4)	(2.6)	(3.0)	(3.5)	(4.1)	(5.0)	(5.3)	(2.0)
EBIT	**0.2**	**7.9**	**12.4**	**16.0**	**19.8**	**24.9**	**30.8**	**38.6**	**42.0**	**46.0**
EBIT Margin (%)	*0.4%*	*14.6%*	*18.2%*	*20.5%*	*21.9%*	*23.7%*	*25.0%*	*26.5%*	*27.1%*	*28.8%*
Taxes	(2.0)	(0.0)	(1.6)	(3.1)	(4.0)	(5.3)	(6.8)	(8.7)	(9.6)	(11.5)
Tax Rate (%)	*nm*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*	*-25.0%*
NOPAT	**(1.8)**	**7.9**	**10.7**	**12.9**	**15.8**	**19.6**	**24.1**	**39.9**	**32.4**	**34.5**
D&A	0.4	2.1	2.4	2.6	3.0	3.5	4.1	5.0	5.3	2.0
Δ Net Working Capital	(2.4)	(3.4)	(1.4)	(1.1)	(1.3)	(1.6)	(1.9)	(2.4)	(1.1)	(0.6)
Capex	0.0	(1.8)	(1.5)	(3.2)	(4.2)	(5.3)	(6.5)	(3.3)	(3.5)	(2.0)
Free Cash Flow	**(3.8)**	**4.8**	**10.3**	**11.2**	**13.3**	**16.3**	**19.8**	**29.1**	**33.1**	**34.5**
Discounting Factor	*1.0*	*1.0*	*0.9*	*0.8*	*0.8*	*0.7*	*0.7*	*0.6*	*0.6*	*0.5*
Discounted FCF	**(3.8)**	**4.8**	**9.4**	**9.4**	**10.3**	**11.5**	**12.9**	**17.5**	**18.3**	**17.6**

Source: Websim Corporate

Our analysis of the fairness of the division's WACC examined the specific characteristics of the Egyptian market. As the equity risk premium (ERP) for Egypt is a hefty 14.34% (with an implicit country risk premium of 10.01%, according to Damodaran figures published in January 2025 - justified by the enhanced political, economic-financial and regulatory uncertainty) we have decided to weight this premium at 65%. This reflects the fact that nearly all of the group's invoicing (we estimate 95-98%) comes from developed markets, and revenues are therefore almost entirely denominated in strong currencies.

In addition, the classification of Egypt as an emerging country (with entry into the **BRICS** group from January 2024) also imposes a specific consideration for the **terminal growth "g"** of the resort. This rate is calculated by adding Eurozone inflation (2%) considering the Preatoni Group's headquarters are in Paris, and the Egyptian real growth rate, weighted for exposure to the ERP (Egypt Real GDP Growth: 3.8% in 2025, 4.6% in 2026, 5.5% in 2027 - FactSet; average Egyptian real GDP growth rate around 4% - Economist

Intelligence Unit). Cautiously, for the Sharm el-Sheikh resort, we assume **terminal growth "g" of around 4.5%**.

Considering these factors and the dynamics of the other structures present in Italy and Germany, below is a **summary** of our WACC assumptions for the Hospitality & Tourism division:

- **Risk-Free rate** of **4.0%**.
- **Equity Risk Premium** set at **6.0%**.
- **Unlevered beta 0.8**, the average of the median of the unlevered beta of selected peers.
- **Terminal Growth Rate "g"** assumed at **3.5%**. This comes from adding together a real growth rate of 1.5%, which in our opinion fairly reflects the long-term market potential as well as the company's growth prospects - and a 2.0% inflation trend.

Our assumptions lead to the determination of a **WACC of 8.8%**.

Preatoni Group – H&T DCF Summary Table

Summary Table	€ mn	
A) 2025-2032 Discounted Cash Flows	**94.2**	**22%**
Terminal Value	552.9	
Discounting Factor	0.4	
B) Discounted Terminal Value	243.4	**78%**
C) Enterprise Value	**425.7**	**100%**
NFP @ YE24	(37.3)	
Equity Value	**388.4**	

Source: Websim Corporate on Company data

Preatoni Group – H&T Sensitivity Analysis

WACC \ g	2.5%	3.0%	3.5%	4.0%	4.5%
6.8%	526.4	590.7	**674.6**	788.4	951.7
7.3%	462.1	511.4	**573.7**	654.8	765.0
7.8%	410.5	449.2	**496.9**	557.2	635.8
8.3%	368.2	399.3	**436.8**	483.0	541.3
8.8%	**333.2**	**358.5**	**388.4**	**424.8**	**469.5**
9.3%	303.7	324.5	**349.0**	378.1	413.3
9.8%	278.5	296.0	**316.2**	339.9	368.1
10.3%	256.9	271.7	**288.6**	308.1	331.1
10.8%	238.2	250.8	**265.0**	281.4	300.4

Source: Websim Corporate on Company data

As outlined in the above table, our valuation yields an Enterprise Value of **Eu425.7mn**. **78%** of this comes from the Company's Terminal Value. The Equity Value of the Hospitality & Tourism division (including Parkhotel Kurhaus) therefore stands at **Eu388.4mn**.

As a **benchmark** for the Hospitality & Tourism division, we refer to the appraisal values determined during the company's incorporation (Eu275mn for 100%), to which we add our **fair equity value** for Parkhotel Kurhaus (Eu13.5mn), reaching a total of **Eu288.5mn**.

The **sensitivity analysis**, as shown in the diagram, shows that in a **conservative scenario** – for example, with a **WACC at 10.8% (+200bp)** and a **terminal growth rate of 2.5%** – the **Equity Value** would stand at **Eu238.2mn**, -17% below our estimate.

In a rosier scenario, with a **WACC of 6.8%** and a **terminal growth rate of 4.5%**, the division's **equity value** could exceed **Eu950mn**. This offers potential **upside of well over 200%**.

This projection underlines the **division's significant potential for appreciation**, highlighting a risk-return trade-off that is clearly skewed to growth scenarios.

The **central value** of our assessment, based on a **WACC of 8.8%** and a **terminal growth rate of 3.5%**, shows an **Equity Value of Eu388.4mn**, representing our fair value for the business unit.

Sum-of-the-Parts Valuation (SOP)

Now the Equity Values of the **Hospitality & Tourism** and **Real Estate Development** business lines have been determined, we proceed to adjust the sum of these values to derive the group's overall Equity Value.

This adjustment factors in the following considerations:

- **PFN and holding company costs**
- **Financial assets**
- ***Minorities***

The most significant of the **minority interests** is the stake in **ProKapital Grupp**, whose value is derived from the sum of the Equity Value of its real estate development business in the Baltic countries and the Equity Value of the **Parkhotel Kurhaus in Germany**.

As anticipated, we value **Parkhotel Kurhaus** at approximately **Eu13.5mn**. This estimate is based on a DCF model, utilising a **WACC of 6.7%** and a **perpetuity growth rate "g" of 3.5%**. The net debt position considered is Eu3.9mn. It's crucial to note that, to reflect the fact that the property is currently operated via a right of use expiring in 2065, we have applied a 50% discount rate to the determined equity value.

Preatoni Group – Sum of the Parts (SOTP) Valuation (€ mn)

	Method	100% Equity Value	MLPRG Stake	FV Minorities	Equity Value
Real Estate Development		**212.4**	**52.38%**	**(101.1)**	**111.2**
Baltic Countries	DCF - WACC 8.2%; g 0%	200.8	49.62%	(101.1)	99.6
"Palazzo Preatoni" Project	NPV - WACC 10% (stake 29%)	9.8	100.00%	0.0	9.8
"Mastaba" Project	NPV - WACC 10%	1.8	100.00%	0.0	1.8
Hospitality & Tourism	DCF - WACC 8.8%; g 3.5%	**388.4**	**89.41%**	**(41.1)**	**347.3**
Holding Costs	CapRate@10%	**(6.6)**			**(6.6)**
NFP Holding (Debt)/Cash	YE24A	**(4.7)**			**(4.7)**
Others	YE24A BV	**3.5**			**3.5**
Fair Equity Value		**593.1**		**(142.3)**	**450.8**
NOSH					8.8
Fair Value per Share					**51.2**
Price MLPRG					**41.0**
Upside/(Downside)					25%

Source: Websim Corporate

Investment Conclusions

We believe the Preatoni Group offers a strategic medium-to-long-term investment opportunity, supported by solid fundamentals and clear growth prospects for each business area.

Real Estate Development Division:

- **Recovery and Resilience of Baltic Real Estate Market:** despite a slowdown in 2023, the residential real estate market in the Baltics is undergoing a healthy recovery. Falling interest rates are improving access to financing and the ability to purchase housing, supporting increases in transaction volumes and property values. This combination is particularly favourable for the Group's real estate development initiatives.
- **High-End Positioning and Value Maximisation:** the strategy of focusing on the medium-high residential segment, in a dynamic market, allows the value of real estate assets to be maximised, achieving high sales prices.
- **Considerable Land Reserves for Future Expansion:** our growth forecasts already include ongoing projects and the planned use of c.120,000m^2 of land reserves. With c.250,000 m^2 of land reserves in the portfolio, there is significant potential for further expansion of development activity beyond the current estimate horizon.
- **Projects with High Profit Margins and Competitive Advantages:** the Palazzo Preatoni project in Dubai and the Mastaba in Egypt offer extremely attractive margins. Moreover, the Group's consolidated expertise in managing distressed assets in Dubai represents a distinctive competitive advantage in an area with high development potential.

Hospitality & Tourism Division:

- **Tourism Market Recovery and Strategic Synergies:** the Egyptian tourism sector is undergoing a renaissance, supported by government and private investments aimed at growth and modernisation. At the same time, the dynamism of the Italian tourism market and the full operation of the trade fair and hospital hubs support the performance of assets such as Domina Zagarella and Domina Fiera Milan, enabling extended operating periods and increased margins.
- **Expansion of Accommodation Capacity and Optimisation of KPIs:** the plan to increase accommodation capacity at Domina Coral Bay, while optimising operating KPIs, should support the resort's growth prospects. Despite the complex geopolitical context, the resort confirmed a high occupancy rate (86% in 2024), demonstrating its resilience and strong market appeal.
- **D Club to Enhance Loyalty and Generate Recurring Revenues:** this marketing strategy represents a strong lever to increase customer retention and strengthen brand value. Offering privileged services encourages active membership, driving up average spend and visit frequency. Such an approach generates considerable recurring revenue streams, stabilising income and reducing dependence on seasonal fluctuations.
- **Global Hospitality "Made in Italy", Management's Strategic Vision:** management's long-term vision is to develop a global "Made in Italy" hotel chain, based on an operating model that transforms each hotel into a highly profitable strategic asset, making hotels into genuine commercial hubs. This strategy favours an asset-light approach focused on managing hotels and strengthening brand recognition.

Future projects with Start-Up spirit

Below is a brief summary of the project pipeline. Although these projects are not included in our current valuation, they demonstrate management's innovative approach and focus on significant value creation.

1. **Cuba project, creating the next Sharm el-Sheikh.** Ernesto Preatoni has launched an important strategic initiative in Cuba through Spanish company **Prea Real Estate Central America SL**, which recently signed a licence agreement for the **Domina brand** with Domina International SA. This project involves the management of a number of hotels and aims to capitalise on the Preatoni Group's consolidated expertise, in particular the considerable success achieved at Sharm el-Sheikh. Following similar lines to its pioneering development of tourism in Egypt, where the Group transformed a peripheral location into a leading global tourist destination, the **Cuba Project** is considered a potential driver of considerable strategic growth for the Group. While local regulations make Cuba a complex proposition, the Group's strategic approach and previous experience suggest there is a good chance it can replicate its successful model and generate a significant impact on future financial results.
2. **D Club - Margin Expansion and Optimisation Strategy:** management has defined a strategy aimed at diversifying and strengthening sales channels for D Club services. This project envisages **expansion of the offer** outside Group properties, actively including **adjacent hotel and accommodation facilities**

belonging to competitors. It is an approach that aims to generate a **significant increase in revenues**, capitalising on a **much wider catchment area**. At the same time, the impact on margins should be particularly positive, thanks to the resource optimisation and cost efficiency enabled by the increased scale. This strategic move will **drive significant growth in business value**.

3. **M&A appeal for "Made in Italy" hospitality:** we believe the development of a "Made in Italy" hotel chain can exert strong image and brand appeal for the main global players in the sector, such as Marriott International, Hilton Worldwide, IHG and Accor, to name but a few. While our valuation contains no specific assumptions on these plans, we are convinced that the development of this project can generate specific **speculative appeal** on the Group.
4. **Preatoni Nuda Proprietà, from Broker to Strategic Investor.** The business model of **Preatoni Nuda Proprietà** (67.5% owned by ProKapital Grupp) is set to evolve from brokerage in bare ownership transactions - with an estimated margin of c.1-2% - to a **direct investor** role. Thanks to its ability to attract financial resources, the Group could directly acquire the right of bare ownership, obtaining **advantageous discount rates** during the acquisition phase, with a view to strategic portfolio management. This approach would make it possible to hold the properties and resell them at the most propitious moment, maximising the **surplus deriving from market appreciation**.

While acknowledging the risk factors arising from the Group's convoluted structure, deriving from the differing natures of its various operational activities and geographical markets, we believe the growth drivers outlined above support the investment case.

Our Sum-of-the-Parts (SOP) model yields a fair equity value for the group that offers potential upside of 25% to the current market capitalisation. We therefore initiate coverage of Preatoni Group with a BUY recommendation and a Target Price of Eu51.2 per fully-diluted share.

Appendix

Competitive Landscape

Segment 1: Hospitality&Tourism	*70%*
	Weight

BASIC INFORMATION				Share Performance		EBITDA Margin				
Company Name	Ticker	Country	Mrkt. Cap (€)	6M	1Y	2024	2025	2026	2027	2028
Marriott International, Inc. Class A	MAR-US	UNITED STATES	66,196.5	-15.8%	9.3%	16.8%	20.4%	20.5%	20.8%	21.9%
Hilton Worldwide Holdings Inc.	HLT-US	UNITED STATES	56,467.6	-9.3%	20.0%	22.4%	30.9%	31.0%	31.2%	31.8%
Hyatt Hotels Corporation Class A	H-US	UNITED STATES	5,467.2	-24.7%	-13.0%	30.9%	16.3%	16.6%	17.1%	17.2%
InterContinental Hotels Group PLC	IHG-GB	UNITED KINGDOM	16,039.4	-17.4%	7.8%	24.6%	54.0%	54.8%	55.5%	53.0%
Wyndham Hotels & Resorts, Inc.	WH-US	UNITED STATES	5,889.3	-24.1%	13.3%	37.8%	50.2%	50.7%	51.0%	52.4%
Accor SA	AC-FR	FRANCE	11,623.7	-0.4%	17.2%	20.2%	20.5%	21.1%	21.8%	22.7%
Melia Hotels International, S.A.	MEL-ES	SPAIN	1,694.9	-3.2%	-13.1%	30.3%	26.4%	26.5%	26.6%	26.8%
Scandic Hotels Group AB	SHOT-SE	SWEDEN	1,641.3	17.5%	31.6%	30.7%	11.5%	11.7%	11.9%	na
Whitbread PLC	WTB-GB	UNITED KINGDOM	6,255.9	-6.4%	-3.9%	33.8%	36.4%	37.2%	38.1%	38.1%
Dalata Hotel Group Plc	DHG-IE	IRELAND	1,374.6	37.2%	43.1%	35.7%	35.7%	36.0%	36.4%	na
Mean			**17,265.0**	**-4.7%**	**11.2%**	**28.3%**	**30.2%**	**30.6%**	**31.0%**	**33.0%**
Median			**6,072.6**	**-7.8%**	**11.3%**	**30.5%**	**28.7%**	**28.7%**	**28.9%**	**29.3%**

Segment 2: Real Estate Development	30%
	Weight

BASIC INFORMATION				Share Performance		EBITDA Margin				
Company Name	Ticker	Country	Mrkt. Cap (€)	6M	1Y	2024	2025	2026	2027	2028
Bonava AB Class B	BONAV.B-SE	SWEDEN	376.9	47.2%	29.9%	2.2%	5.8%	9.4%	11.2%	na
Taylor Wimpey plc	TW-GB	UNITED KINGDOM	4,629.5	-10.7%	-21.5%	10.6%	12.3%	13.3%	14.4%	14.8%
Barratt Redrow plc	BTRW-GB	UNITED KINGDOM	7,111.3	0.1%	-9.4%	6.1%	10.5%	12.0%	13.2%	14.3%
Berkeley Group Holdings plc	BKG-GB	UNITED KINGDOM	4,203.8	-2.2%	-18.7%	21.8%	19.4%	19.8%	19.3%	na
Persimmon Plc	PSN-GB	UNITED KINGDOM	4,594.4	-1.8%	-8.8%	12.3%	14.0%	15.0%	16.0%	15.6%
Nexity SA	NXI-FR	FRANCE	551.8	-23.3%	-20.2%	5.9%	7.9%	10.8%	11.7%	na
Mota-Engil SGPS SA	EGL-PT	PORTUGAL	1,304.4	63.2%	16.7%	18.4%	16.0%	16.1%	16.0%	15.8%
AllianceBernstein Holding L.P.	AB-US	UNITED STATES	3,945.6	4.1%	15.6%	na	31.4%	32.5%	36.5%	na
Vonovia SE	VNA-DE	GERMANY	23,907.1	-4.1%	9.9%	-7.7%	80.9%	83.5%	74.3%	83.8%
Unibail-Rodamco-Westfield	URW-FR	FRANCE	11,531.2	8.4%	4.6%	44.1%	83.5%	82.5%	83.2%	79.3%
Neinor Homes SA	HOME-ES	SPAIN	1,536.6	-2.9%	20.2%	18.8%	17.6%	17.1%	17.0%	17.4%
Icade SA	ICAD-FR	FRANCE	1,575.0	7.2%	-15.2%	-12.9%	81.8%	80.8%	90.1%	82.4%
Aroundtown SA	AT1-DE	LUXEMBOURG	4,752.5	-5.2%	46.9%	50.2%	61.9%	62.3%	62.4%	na
Mean			**5,386.2**	**6.1%**	**3.8%**	**14.2%**	**34.1%**	**35.0%**	**35.8%**	**40.4%**
Median			**4,203.8**	**-1.8%**	**4.6%**	**11.4%**	**17.6%**	**17.1%**	**17.0%**	**16.6%**

Full Sample	100%
	Weight

	Mrkt. Cap (€)	6M	1Y	2024	2025	2026	2027	2028
Mean	**13,701.4**	**-1.4%**	**9.0%**	**24.1%**	**31.4%**	**31.9%**	**32.5%**	**35.2%**
Median	**5,511.9**	**-6.0%**	**9.3%**	**24.8%**	**25.3%**	**25.3%**	**25.3%**	**25.5%**

Peer Analysis

Segment 1: Hospitality&Tourism	70%
	Weight

BASIC INFORMATION		EV/SALES					EV/EBITDA					EV/EBIT					P/E					Betas	
Company Name	Ticker	2024A	2025E	2026E	2027E	2028E	2024A	2025E	2026E	2027E	2028E	2024A	2025E	2026E	2027E	2028E	2024A	2025E	2026E	2027E	2028E	Levered Beta	Unlevered Beta
Marriott International, Inc. Class A	MAR-US	3.8x	3.4x	3.2x	3.0x	3.0x	22.1x	16.6x	15.6x	14.6x	13.7x	24.3x	19.9x	18.5x	17.3x	16.2x	33.5x	26.4x	23.4x	21.0x	18.5x	1.1	0.8
Hilton Worldwide Holdings Inc.	HLT-US	6.6x	6.1x	5.6x	5.2x	4.8x	28.7x	19.7x	18.2x	16.7x	15.0x	30.4x	23.9x	21.1x	19.2x	16.6x	40.3x	31.7x	27.9x	24.2x	19.1x	1.0	0.9
Hyatt Hotels Corporation Class A	H-US	2.8x	2.4x	2.2x	2.1x	1.9x	9.1x	14.5x	13.5x	12.5x	11.1x	10.8x	34.7x	25.5x	22.0x	16.5x	12.4x	54.0x	41.1x	32.1x	20.1x	1.2	1.1
InterContinental Hotels Group PLC	IHG-GB	4.8x	8.9x	8.3x	7.9x	7.0x	19.4x	16.4x	15.2x	14.2x	13.2x	22.0x	17.5x	16.2x	15.1x	13.9x	32.6x	23.5x	20.9x	18.8x	17.2x	1.0	0.7
Wyndham Hotels & Resorts, Inc.	WH-US	7.4x	6.2x	5.8x	5.4x	4.9x	19.6x	12.3x	11.5x	10.6x	9.4x	22.6x	14.9x	13.7x	12.6x	na	27.9x	17.8x	15.7x	13.7x	10.8x	0.9	0.8
Accor SA	AC-FR	2.8x	2.6x	2.5x	2.3x	2.2x	13.8x	12.7x	11.6x	10.7x	9.7x	19.7x	17.8x	15.9x	14.3x	13.0x	20.1x	19.9x	17.1x	15.0x	12.9x	1.0	1.0
Melia Hotels International, S.A.	MEL-ES	2.1x	2.0x	1.9x	1.9x	1.9x	6.8x	7.5x	7.3x	7.1x	7.1x	11.3x	13.7x	13.3x	12.8x	14.5x	11.5x	11.2x	10.4x	9.8x	9.2x	1.1	0.9
Scandic Hotels Group AB	SHOT-SE	2.7x	2.7x	2.6x	2.5x	na	8.9x	23.6x	22.2x	20.9x	na	20.9x	31.1x	28.9x	27.1x	na	21.8x	14.4x	12.9x	11.9x	na	0.9	0.7
Whitbread PLC	WTB-GB	na	0.3x	0.3x	0.3x	0.3x	na	4.3x	4.1x	3.7x	3.7x	na	7.0x	8.5x	7.3x	na	na	8.9x	10.8x	13.5x	na	0.2	0.0
Dalata Hotel Group Plc	DHG-IE	3.7x	3.4x	3.2x	3.1x	2.9x	10.8x	9.3x	8.7x	8.1x	7.6x	17.6x	15.2x	14.1x	12.8x	na	20.5x	13.8x	12.4x	10.9x	10.2x	1.0	0.8
Mean		**4.1x**	**3.8x**	**3.6x**	**3.4x**	**3.2x**	**15.5x**	**13.7x**	**12.8x**	**11.9x**	**10.1x**	**20.0x**	**19.6x**	**17.6x**	**16.0x**	**15.1x**	**24.5x**	**22.2x**	**19.3x**	**17.1x**	**14.7x**	**0.9**	**0.8**
Median		**3.7x**	**3.1x**	**2.9x**	**2.8x**	**2.9x**	**13.8x**	**13.6x**	**12.6x**	**11.6x**	**9.7x**	**20.9x**	**17.7x**	**16.1x**	**14.7x**	**15.4x**	**21.8x**	**18.8x**	**16.4x**	**14.3x**	**15.0x**	**1.0**	**0.8**

Segment 2: Real Estate Development	30%
	Weight

Company Name	Ticker	2024A	2025E	2026E	2027E	2028E	2024A	2025E	2026E	2027E	2028E	2024A	2025E	2026E	2027E	2028E	2024A	2025E	2026E	2027E	2028E	Levered Beta	Unlevered Beta
Bonava AB Class B	BONAV.B-SE	0.7x	1.0x	0.8x	0.7x	na	33.2x	17.5x	9.1x	5.9x	na	84.9x	18.0x	9.2x	5.9x	na	na	na	11.3x	5.5x	na	1.0	0.5
Taylor Wimpey plc	TW-GB	1.1x	1.0x	0.9x	0.9x	0.8x	10.6x	8.0x	6.9x	5.9x	5.2x	11.0x	8.3x	7.1x	6.1x	5.3x	19.7x	13.8x	11.7x	10.1x	8.8x	1.3	0.0
Barratt Redrow plc	BTRW-GB	1.0x	1.0x	0.9x	0.8x	0.8x	16.9x	9.7x	7.8x	6.4x	5.5x	19.4x	9.8x	8.0x	6.5x	5.6x	40.1x	15.4x	12.9x	10.5x	9.0x	1.4	0.1
Berkeley Group Holdings plc	BKG-GB	1.8x	1.8x	1.8x	1.7x	1.8x	8.4x	9.2x	8.9x	9.1x	na	8.5x	9.3x	9.1x	8.9x	8.6x	12.6x	12.9x	12.7x	11.2x	9.8x	1.0	0.2
Persimmon Plc	PSN-GB	1.3x	1.4x	1.3x	1.2x	1.0x	10.3x	9.8x	8.4x	7.4x	6.4x	10.9x	10.1x	8.7x	7.4x	6.6x	14.3x	14.1x	12.0x	10.3x	9.2x	1.4	0.1
Nexity SA	NXI-FR	0.7x	0.7x	0.7x	0.7x	na	11.8x	9.5x	6.7x	6.0x	na	na	79.3x	20.0x	13.5x	na	na	na	102.0x	11.7x	na	1.1	1.0
Mota-Engil SGPS SA	EGL-PT	0.6x	0.7x	0.6x	0.6x	0.6x	3.3x	4.1x	3.9x	3.8x	3.9x	4.5x	6.2x	5.9x	5.8x	5.9x	7.1x	9.2x	8.3x	8.1x	7.9x	0.9	6.6
AllianceBernstein Holding L.P.	AB-US	na	1.3x	1.2x	1.1x	na	9.2x	4.0x	3.6x	3.0x	na	9.2x	3.7x	3.3x	3.0x	na	10.0x	12.9x	11.5x	9.7x	na	0.9	0.0
Vonovia SE	VNA-DE	13.6x	20.7x	20.0x	16.8x	13.1x	na	25.6x	23.9x	22.6x	15.6x	na	25.7x	23.3x	20.8x	14.0x	na	15.1x	13.5x	12.3x	10.1x	0.8	1.2
Unibail-Rodamco-Westfield	URW-FR	11.6x	14.8x	14.5x	14.1x	12.2x	26.3x	17.8x	17.6x	17.0x	15.4x	26.7x	18.8x	17.7x	16.9x	15.5x	69.4x	8.9x	9.0x	8.7x	8.4x	1.1	1.5
Neinor Homes SA	HOME-ES	2.9x	1.9x	1.8x	1.7x	1.7x	15.2x	10.5x	10.6x	10.1x	9.9x	16.0x	11.2x	11.1x	10.5x	10.2x	20.3x	13.9x	13.3x	12.3x	13.0x	0.5	0.2
Icade SA	ICAD-FR	3.4x	14.0x	13.6x	14.8x	13.1x	na	17.1x	16.8x	16.5x	15.9x	na	17.5x	17.4x	15.3x	15.9x	na	7.1x	7.6x	8.3x	7.0x	0.9	0.8
Aroundtown SA	AT1-DE	14.3x	13.9x	13.8x	13.8x	na	28.5x	22.5x	22.2x	22.0x	na	29.3x	21.9x	20.1x	20.2x	na	60.4x	9.7x	8.1x	8.2x	na	1.3	2.6
Mean		**4.4x**	**5.7x**	**5.5x**	**5.3x**	**5.0x**	**15.8x**	**12.7x**	**11.3x**	**10.4x**	**9.7x**	**22.0x**	**18.4x**	**12.4x**	**10.8x**	**9.7x**	**28.2x**	**12.1x**	**18.0x**	**9.8x**	**9.3x**	**1.0**	**1.1**
Median		**1.6x**	**1.4x**	**1.3x**	**1.2x**	**1.7x**	**11.8x**	**9.8x**	**8.9x**	**7.4x**	**8.2x**	**13.5x**	**11.2x**	**9.2x**	**8.9x**	**8.6x**	**19.7x**	**12.9x**	**11.7x**	**10.1x**	**9.0x**	**1.0**	**0.5**

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	**PREATONI GROUP**		
Current Recomm:	BUY	Previous Recomm:	
Current Target (Eu):	51.20	Previous Target (Eu):	
Current Price (Eu):	41.00	Previous Price (Eu):	
Date of report:	22/07/2025	Date of last report:	

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:
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- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
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Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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SELL:	00.00%

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