EUROBANK Equities

GREECE | EQUITY RESEARCH | REAL ESTATE
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INITIATION OF COVERAGE

DIMAND

Unloved and undervalued

Leading developer in Greece, focused on urban redevelopment – Dimand is one of Greece's top developers, managing a total of 20 projects encompassing varied-use assets of 539K sqm and a gross development value (GDV) – upon completion – near €1.2bn. The company has expertise in developing energy-efficient and modern buildings, with its competitive moat – following 18 years of presence in the field – lying in its ability to identify areas ripe for urban development, thus being able to acquire land at competitive prices. This approach underpins robust project returns given the implicit yield differential (exit yield minus yield-to-construct), with mgt targeting levered IRRs >20% and returns on capital generated upon project exits >1.5x, with the track record being even stronger. Given the nature of the sector, which requires significant upfront capital for land acquisition and construction, Dimand is structured via SPVs, fact which adds a layer of complexity but facilitates participation in multiple projects while levering up further prospective returns.

… and operating an asset-light model – Contrary to many developers, who develop assets for rent focusing on long-term income generation from leasing their properties, Dimand engages mostly in asset monetization and capital recycling via the selling of its participation in the SPVs developing the properties. With 20 projects poised to be completed over 2024-27e, asset turnover is set to increase markedly in the coming years helping the group bolster its balance sheet, monetize the capital invested and increase ROE. With most of Dimand's landbank being situated in areas with healthy property demand/supply balance, there is reasonable degree of visibility regarding this monetization scope, in our view. We model a total c€180m profit crystallized from the 20 projects in progress through to 2027e, of which some €30m in 2024e.

How to value Dimand – Valuing Dimand is a rather herculean task due to the complexities associated with the group's structure and the nature of the development business itself. Our approach is quite simple, namely we value Dimand's stake in: 1) projects in progress, 2) projects recently announced; and 3) project Skyline (deal to be sealed in H2'24), while also adding the value of: 4) the project management services business, which is "asset-light" and can be considered a recurring income stream. We are not keen to assign a perpetual value for Dimand at this stage, since our PT is on a 12m basis and, at the current juncture, we believe that any growth potential for the company beyond its current and in-progress land bank scale would be hard to be priced-in. We come up with a €11.0 SOTP-based PT, arguing the current price effectively incorporates solely the well telegraphed 20 projects and the value of the services business. On the other hand, the upside from project Skyline and the recently announced projects is effectively offered as free option.

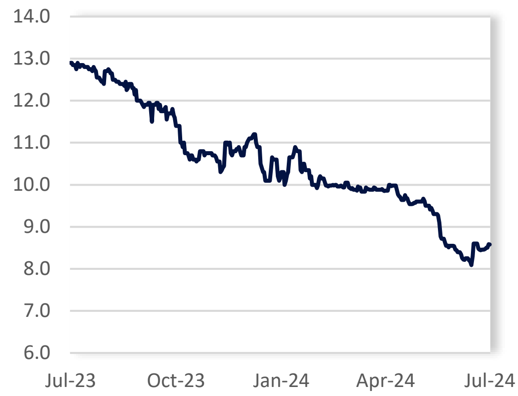
Valuation – The stock has suffered 43% losses since its IPO, weighed down by both industry (rate hikes, tighter credit conditions, broad sector de-rating) and idiosyncratic factors (complexity, path to asset monetization). In general, as a group, global developers have seen their 50% valuation premium to spot NAV swing to a c20% discount, but as we show in this report, developers with 2-digit ROEs normally trade at or above 1x P/NAV. Against this background, with Dimand at 1.1x 2023 P/NAV but at <1.0x on 2024e – given the >€50m capital generation embedded in our numbers – we find the stock largely de-risked at these levels. We expect the shares to trade higher in the valuation spectrum as confidence in the company's ability to sustain ROE in the 2-digits grows. We thus initiate coverage with a Buy.

Estimates					
EURm unless otherwise stated	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Revenues	10.6	9.4	10.5	11.8	12.1
EBITDA	7.1	19.3	62.5	41.3	74.2
Net profit - reported	-7.8	13.2	54.0	32.8	64.2
EPS (EUR)	-0.51	0.71	2.89	1.76	3.44
DPS (EUR)	0.00	0.00	0.58	0.61	1.20
Valuation					
Year to end December	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Adj. PE	NM	14.9x	3.0x	4.9x	2.5x
P/NAV	2.2x	1.4x	0.8x	0.7x	0.6x
EBIT/Interest expense	0.6x	9.3x	7.4x	5.0x	6.6x
Dividend Yield	0.0%	0.0%	6.8%	7.2%	14.0%
Adj. ROE	-6.4%	13.3%	33.4%	16.5%	27.3%

Source: Eurobank Equities Research

Recommendation	**BUY**
Prior Recommendation	**N/A**
Target Price	**€ 11.0**
Prior Target Price	**N/A**
Closing Price (15/07)	€8.57
Market Cap (mn)	€160.1
Expected Return	28.4%
Expected Dividend	6.8%
Expected Total Return	35.1%

Dimand Share Price



Stock Data

Reuters RIC	DIMANDr.AT
Bloomberg Code	DIMAND GA
52 Week High (adj.)	€12.95
52 Week Low (adj.)	€8.00
Abs. performance (1m)	3.9%
Abs. performance (YTD)	-19.2%
Number of shares	18.7mn
Avg Trading Volume (qrt)	€91k
Est. 3yr EPS CAGR	120.1%
Free Float	36%

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See Appendix for Analyst Certification and important disclosures.

Contents

Investment Summary

Leading developer in Greece, with seasoned management team and disciplined acquisition strategy focused on energy-efficient developments

Dimand is one of Greece's top developers, managing a total of 20 projects encompassing varied-use assets of 539K sqm and a gross development value (GDV) – upon completion – near €1.2bn. Dimand has accumulated over 18 years of experience, expertise and brand equity in its field, establishing itself as one of the leaders in the design of energy efficient and modern buildings. The company's competitive moat lies in its ability to identify areas ripe for urban development, thus being able to acquire land at competitive prices. Given the status of the Greek real estate market and the benign balance between supply and demand – especially for "green" assets" – this has allowed / is poised to allow Dimand to capture a >1.3ppt yield differential (exit yield minus yield-to-construct) upon asset monetization, on our estimates.

Asset-light model predicated on asset monetization rather than developing for renting

Contrary to many developers, who develop assets for renting focusing on long-term income generation from leasing their properties, Dimand engages mostly in asset monetization and capital recycling via the selling of the stakes in the SPVs developing the properties. Effectively, Dimand acquires the land, develops or improves the property (usually this is associated with the urban redevelopment of the broad area), enters into leasing agreements and then sells the income producing asset for a yield to the buyer, aiming to profit from the margin between the development cost and the selling price. This approach has resulted in high returns on investment, as Dimand has been able to capture market appreciation and value added through development. With 20 projects poised to be completed over 2024-27e, asset turnover is set to increase markedly in the coming years helping the group bolster its balance sheet, monetize the capital invested in previous years and increase returns on equity. With most of Dimand's landbank being situated in areas with healthy property demand/supply balance, there is reasonable degree of visibility regarding this monetization scope, in our view.

SPV structure adds layer of complexity but facilitates participation in multiple projects while levering up prospective returns

Given the nature of the business model, which requires significant upfront capital for land acquisition and construction, Dimand is structured via JVs (with strategic partners including high-profile names such as EBRD), each of which represents a specific project in which Dimand participates with a percentage (ranging from 46-100%). This adds a layer of complexity to the overall structure, as Dimand's profitability and cash flow generating capacity arises from its stakes in SPVs – each with its own attributable interest and consolidation rate – rather than from fully owned on-balance sheet assets. The level of disclosure has improved notably since the IPO (07/22), with attributable GDV at €956m corresponding to a total GDV of €1.2bn as of end 2023 predicated on a blended exit yield of c5.7%.

Revaluations in 2022-23 are prelude for material value crystallization in the coming years as projects mature

Operationally, this asset rotation model effectively means that the P&L is not too relevant for assessing the group's performance. This is especially the case as most cash inflows come upon the sale of properties (and usually, the concurrent sale of Dimand's participation in the related SPV), which, in their turn, depend on market conditions and the timeline of project completion. That said, asset monetization potential does filter through the P&L in the form of revaluations and fair value gains. This was evident in 2022, with revaluations of €8.2m and, primarily in 2023, with fair value gains exceeding €19m. Despite the non-cash element of these gains at the current juncture, they effectively reflect gains that will be realized upon the sale of these assets, thus offering an indication of the monetization potential. Indicatively, in our model, we incorporate a total c€180m profit crystallized from the group's 20 projects in progress through to 2027e, of which some €30m in 2024e.

SOTP-based approach in our valuation

Valuing Dimand is a rather herculean task due to the complexities associated with the group's structure and the nature of the development business itself. Our approach is quite simple, namely we value Dimand's stake in: 1) projects in progress, 2) projects recently announced; and 3) project Skyline (deal to be sealed in H2'24) while also adding the value of 4) the project management services business, which is "asset-light" and can be considered a recurring income stream. We are not keen to assign a perpetual value for Dimand at this stage, since our PT is on a 12m basis and, at the current juncture, we believe that any growth potential for the company beyond its current and in-progress land bank scale would be hard to be priced-in. We come up with a €11.0 SOTP-based PT, **arguing the current price effectively incorporates solely the well telegraphed 20 projects and the value of the services business.** On the other hand,

the upside from project Skyline (agreement to be wrapped up soon) and the recently announced projects is effectively offered as free option.

Combination of 43% share price decline since IPO and NAV increase has left the stock at 1.1x 2023 P/NAV but <1x on 2024e, quite palatable valuation given the material step-up in ROE

The stock has suffered 43% losses since its IPO, weighed down by both industry (rate hikes, tighter credit conditions, broad sector de-rating) and idiosyncratic factors (complexity, path to asset monetization). Meanwhile, it managed to grow its NAV by c6% since H1'22 (proforma for the capital increase) while returning to a positive bottom-line performance in 2023 (€17m adjusted bottom line result). The implied 13% adj. ROE delivered in 2023 is a prelude for substantial capital generation in the coming years as projects mature and Dimand proceeds to disposals. Given projects worth c€195m in GDV are poised to be monetized in the coming months (in 2024 as per our own phasing assumptions, which are somewhat more conservative than mgt's indicative timeline), we expect notable value crystallization. With the stock trading at 1.1x 2023 P/NAV but at <1.0x on 2024e numbers – given the >€50m capital generation embedded in our numbers this year – we find the valuation quite palatable and the stock largely de-risked at these levels. We expect the shares to trade higher in the valuation spectrum as confidence in the company's ability to sustain 2-digit ROE grows.

Share price performance and valuation

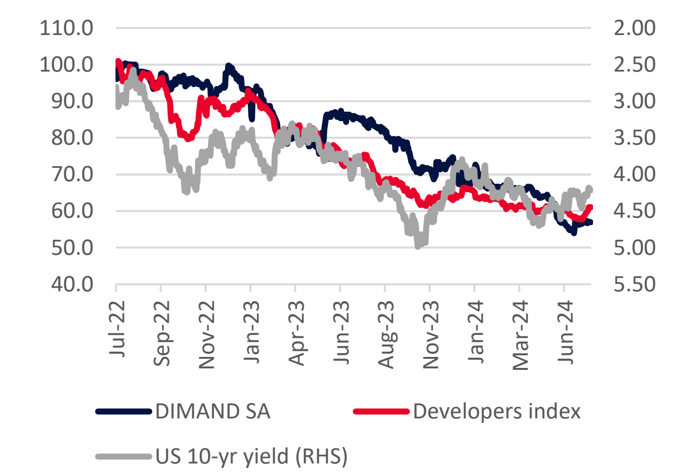
A. Stock price performance

Weak performance since the listing in July 2022

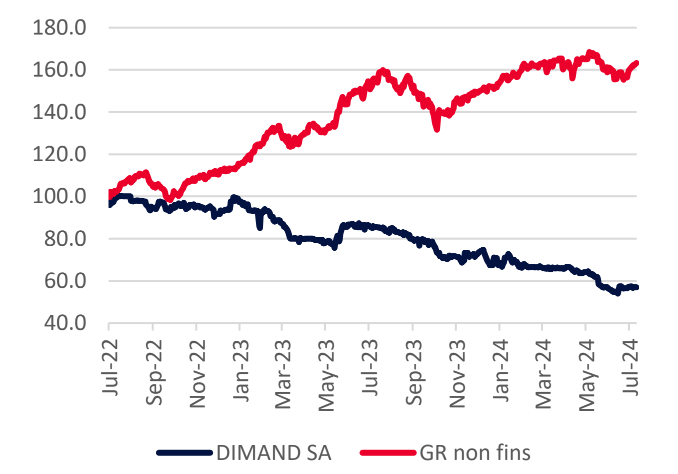
Dimand has had a rather disappointing performance since its IPO in July 2022, shedding c43% compared with a whopping >60% gain registered by our broad Greek non-financials' universe over the same period. Weighing on the shares have been a confluence of factors, including: 1) an increase in interest rates, which has weighed on the valuation of interest-rate sensitive stocks such as real estate/construction/development companies; 2) inflationary pressures for various raw materials, which have brought about a spike in costs for property development, thus squeezing related project returns across the value chain; 3) tighter financial conditions leading to deteriorating balance sheets for property developers, especially in Asia.

The correlation between rising rates and performance of property developers is exemplified in the chart below, which also shows how Dimand's stock has been moving in broad sync with global developers. On the contrary, Dimand has decoupled completely from other Greek non-financials, which have been propelled in the last few years by the strong operating momentum and falling risk premia attached to Greek assets.

Price performance (rebased): Dimand vs foreign developers and US 10-year yield



Price performance (rebased): Dimand vs other GR non financials



Source: Eurobank Equities Research, Bloomberg.

… with idiosyncratic factors coming at play along with industry-wide reasons

Besides the aforementioned industry-wide drivers, we identify three additional idiosyncratic reasons behind the stock's underperformance: 1) the reference base, with the stock listing at €15.0, at 2.2x 2022 P/NAV and at 2x 2023 P/NAV, a level of valuation which was based on much more benign monetary policy settings (Fed and ECB rates were at the time 1.4pps/4.25pps lower than the current levels) while already incorporating optionality from future value creation; 2) the nature of the business model, which in Dimand's case is predicated on asset monetization rather than developing properties for rent. With Dimand effectively profiting from the margin between the development cost and the selling price, such value creation may take years to materialize, thus rendering the investment case somewhat opaque, especially in the absence of a material recurring income base that will act as a cushion to the valuation; 3) complexity in the company structure, with Dimand having stakes in various SPVs, something which makes it more difficult for investors to gauge the overall risk profile (e.g. cash flows) and assess potential vulnerabilities.

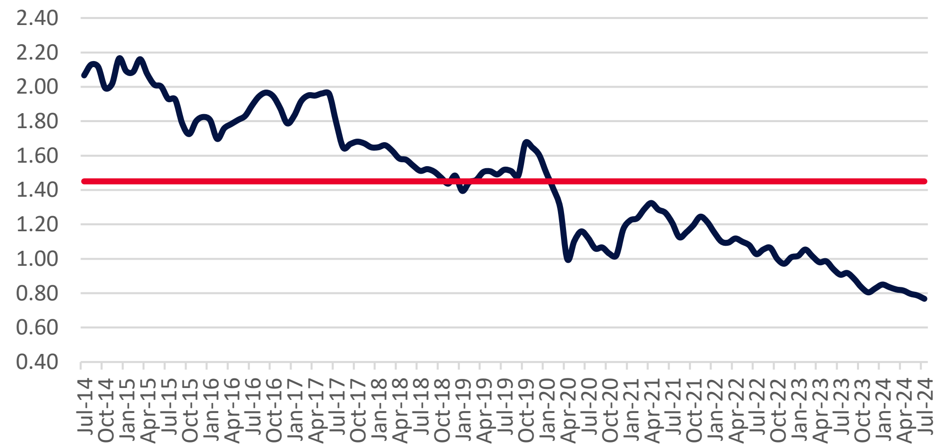
Higher P/NAV usually associated with higher returns

From a valuation perspective, developers normally trade in reference to their NAV, either spot or future. The latter is meant to reflect the value accretion arising from the development of projects in the pipeline, rather than simply the exploitment of the existing land bank. In general, higher returns are associated with higher valuations, and, in that regard, developers with more asset light models ought to trade at higher P/NAV multiples. Fee income-generating developers also attract a higher multiple, as this is considered a less risky segment that can drive premium to the book valuation.

Foreign developers have been on a de-rating path, due to the tightening of monetary policy settings and falling ROEs…

We display global developers' historic valuation in the table below. As can be seen, P/NAV (spot) multiples for global developers have been on a declining trajectory in the last 10 years. Driving this de-rating have been several reasons including cyclical headwinds in the housing market internationally, adverse regulatory measures in markets such as China, the monetary policy tightening rate cycle since 2021, and in general a rather adverse supply-demand balance for real estate in many foreign markets. The latter, coupled with higher financing costs in recent years, has meant that ROEs for developers have been squeezed to single-digit levels, compared with figures in the mid to high-teens delivered in the previous cycle, thus being accompanied by a valuation de-rating. As such, global developers are now trading at a c20% discount to spot NAV on average, materially lower than the almost 50% average premium in the previous 10 years.

Global developers P/NAV

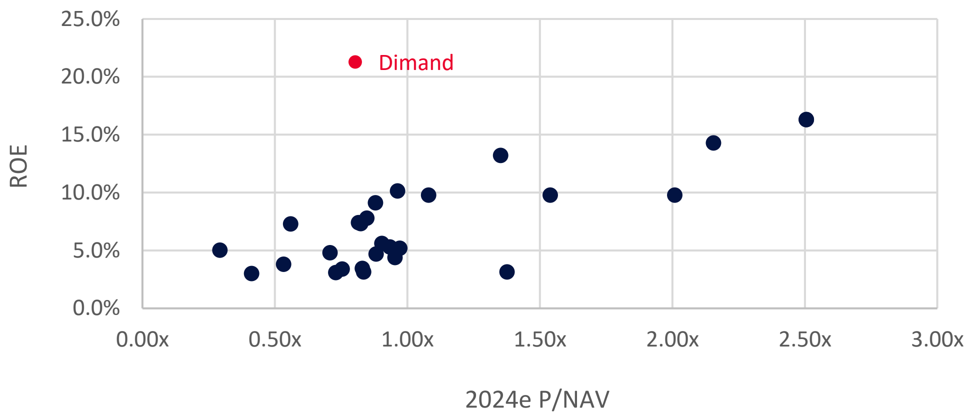


Source: Eurobank Equities Research, Bloomberg.

… although developers with 2-digit ROEs still trade at or above 1x P/NAV

The positive relationship between ROE and P/NAV can be seen in the chart below, where we show that returns in excess of 10% are normally associated with P/NAV valuations near or above 1x.

Global developers: ROE vs P/NAV valuation



Source: Eurobank Equities Research, Bloomberg. For Dimand, we are using average ROE 2023-25e.

B. Valuation

SOTP-based approach

Valuing Dimand is a rather herculean task due to the many complexities associated with the group's structure, the scarcity of data regarding individual projects, the lack of visibility around the timing of flows, and the nature of the development business itself, given the volatility and risks inherent in this industry.

Our approach is quite simple, namely we value Dimand's stake in existing projects only, i.e. the 20 projects in progress, the 3 new projects recently announced and project Skyline (for which the agreement is set to be sealed in H2 2024). To these, we add the value of the project management services business which is "asset-light" and can be considered a recurring income stream that can be valued on a multiple-basis. We are not keen to assign a further perpetual value for Dimand at this stage, since our price-target is on a 12-month basis and, at the current juncture, we believe that any growth potential for the company beyond its current and in-progress land bank scale would be hard to be priced-in.

In more detail:

1. Projects in progress

We welcome the improved disclosure by the company regarding key project data, in particular with regard to yield assumptions embedded in the GDV calculation, work in progress rates and fair values (as per independent valuers). We have used the aforementioned data while also making some assumptions regarding:

- **Funding:** a 60/40% debt/equity funding structure, broadly in sync with project financing modalities.

- **Development cost:** we have assumed a yield-to-construct of c7.1% on average, thus translating into a c1.4% yield differential upon asset monetization. We calculate the overall construction (hard) cost using remaining cost and WIP data, while estimating the overall development cost (including the cost of land and "soft" expenses such as legal fees, insurance and taxes, marketing and sales etc.) by inflating hard costs by 20-40% in most project cases. We then calculate cash profit by deducting the total cost from GDV.

Projects in progress										
€m unless oth/se stated										
Project	**GBA (Ksqm)**	**Completion**	**GDV**	**Yield**	**Working progress (WIP)**	**Remaining construction cost**	**Est. dev/nt cost**	**Estimated cash profit**	**Dimand stake**	**Attributable cash profit**
Insignio	24.9	2024	69	5.9%	39%	19	59	10	100%	10
Piraeus Tower	34.3	2025*	132	6.1%	90%	7	91	41	46%	19
Alkanor (Minion)	18.6	2024	70	4.7%	39%	13	52	18	100%	18
Ourania (Hub 26)	30.8	2024	56	7.0%	71%	11	53	3	65%	2
IQ Athens	79.2	2026	189	6.5%	3%	99	137	52	100%	52
Aghialos	120.0	2026	152	6.5%	3%	112	146	7	100%	7
Filma (Fix)	60.0	2027	148	5.0%	1%	93	127	20	100%	20
3V	64.0	2027	131	7.0%	0%	77	109	22	57%	12
Other projects	100.1	by 2027	249	4.0%	n/a	109	190	59	Various	37
Total			**1,196**			**541**	**964**	**232**		**177**

Source: Eurobank Equities Research, Company. * As per our assumption.

Overall, on our estimates, the attributable cash profit for Dimand from the above projects is near €180m, which corresponds to the equity value upon asset monetization, namely sale of Dimand's stakes in the respective SPVs.

We summarise the above on a yearly basis, as the timing of monetization is an overriding driver of value crystallization. As the table below depicts, 2024 is set to see various projects exits, corresponding to c€30m of cash profit for Dimand (as per our phasing assumption, which assumes Piraeus Tower exit in 2025), an amount set to bolster the group's cash position. Dimand's exit timeline envisages significant inflows both in 2026e and in 2027e. Discounting these flows to the present using a 11% WACC, we end up with a PV of €133m.

Projects in progress, view by project exit date					
EURm unless otherwise stated	**2024e**	**2025e**	**2026e**	**2027e**	**Cumulative**
GDV	195	132	341	528	**1,196**
Total development cost	165	91	283	427	**964**
Estimated cash profit (consolidated)	31	41	59	101	**232**
Attributable cash profit	30	19	59	70	**177**
NPV of projects in progress	**133**				

Source: Eurobank Equities Research

2. Skyline

We describe project Skyline in detail on pages 12-14. As we show, we estimate an attributable present value near €25m from this project, namely near €1.3 per share.

3. Project management services income

These services encompass comprehensive project coordination, including preliminary studies, licensing, construction, and overall project management. Contracts with customers typically embed fees as percentage of construction costs, and on that basis, one can argue it is reasonable to see income related to these services to increase as the number of active projects rises. Fee income businesses for developers are asset-light and in many cases are associated with a premium to book value, especially if they are of significant scale.

For Dimand, we have applied a 10x multiple on an income stream near €4m, which we believe is sustainable given the project backlog.

4. Latest new projects

Dimand recently announced a strategic partnership with Piraeus Bank for the development of urban spaces in Attica and Thessaloniki. The partnership relates to 4 projects with development cost near €500m including: 1) office space at Korai str. which will subsequently be acquired by Piraeus Bank for housing its central services, 2) the redevelopment of the FIX industrial complex which will be financed by Piraeus Bank, 3) the redevelopment of high-street commercial property in the center of Athens currently housing the Notos Com department store, and 4) the restoration and development of urban infrastructure and building facilities in Lavrio (Attica).

Using the above €500m as starting point excluding the cost related to FIX complex, which is accounted for in projects in progress in our model, we estimate that the 3 other newly announced projects correspond to an incremental development cost near €390m. Assuming a c2.4ppt yield differential, we estimate a net profit near €155m at exit, corresponding to a cash multiple of >2x. Discounting this value at 17% for 6 years (to reflect uncertainties incl. development costs, timing of flows etc.), we end up with an attributable value for Dimand near €26m (€1.4 per share).

New project assumptions	
EURm unless otherwise stated	
Project GDV at exit	549
Exit yield	6.0%
Development cost	391
Yield to construct	8.4%
Developer margin	29%
Equity %	35%
Net profit at exit	**155**
ROE	113%
Cash multiple	2.1x
COE	17%
Periods to discount	6
New projects value	52
Dimand stake assumed	50%
Dimand attributable new projects, PV (D)	**26**
Source: Eurobank Equities Research	

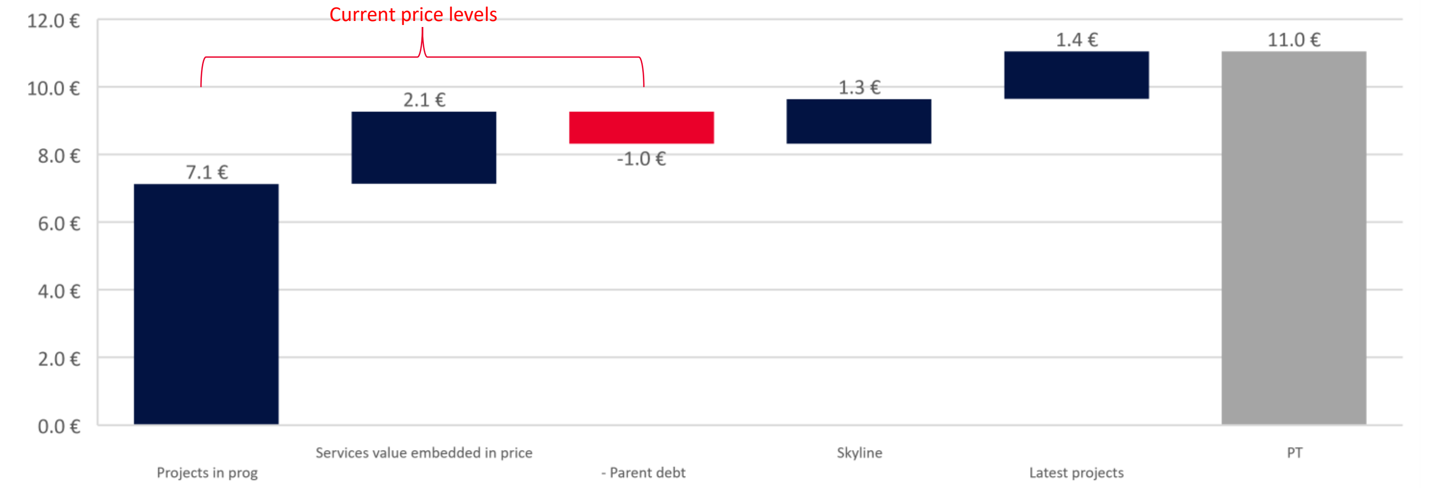
5. Summing it all up

The table below sums up the above and summarizes our valuation for Dimand. As can be seen, we estimate a fair value near €11.0 per share.

Dimand valuation	
EURm unless otherwise stated	**2024**
Equity Profits from projects in progress (A)	**133.2**
Skyline (B)	**24.8**
Project management services income after tax	4.0
Mutliple	10.0x
Project Management Services value (C)	**40.0**
New projects assumption	
Dimand attributable new projects, PV (D)	**26.2**
- Net debt parent company (E)	-17.8
SOTP (A, B, C, D, E)	**206.3**
Market cap	160.1
Upside	28%
Shares (mn)	18.7
Per share	**11.0 €**
Source: Eurobank Equities Research	

Using our SOTP framework presented below, **we argue that the current share price effectively incorporates solely the well telegraphed 20 projects and the value of the services business. On the other hand, the upside from project Skyline and the recently announced projects is effectively offered as free option.**

Bridge of PT



Source: Eurobank Equities Research

Dimand snapshot

One of Greece's top real estate developers with a portfolio of 20 projects; proportionate GDV at €956m

Dimand is one of Greece's top Real Estate developers, offering a wide range of services, including project and construction management, technical and advisory support, and facilities management. Unlike traditional property developers that focus on retaining assets for rental income, Dimand is engaged in developing assets for sale and often enters into joint ventures with strategic partners (among which are high-profile names such as EBRD), instead of owning projects outright. It strategically focuses on prime urban locations in Greece, particularly in Athens and Thessaloniki, with an emphasis on sites well-served by public transportation to improve urban infrastructure.

As of December 2023, the Group's portfolio consisted of **20 investment projects** (total GBA 539K sqm), of which 3 ready-to-deliver, 5 under construction and 12 in the planning and development phase. The Group is also preparing to initiate two additional investment projects, underpinned by already secured property acquisition agreements.

Among the projects mentioned, 12 are directly developed and 8 are managed through JVs. The directly managed projects have a fair value of €167m and an estimated gross development value (GDV) of c€700m upon completion, according to independent valuations. The projects undertaken via joint ventures account for an additional fair value of €220m and GDV of €495m upon completion.

Dimand project overview

Ready to Deliver Projects	Under Construction	Planning & Development	Upcoming pre-agreed acq.
3 Projects	5 Projects	12 Projects	3 Projects
n/a Office Buildings	134.932 sqm Office Buildings	59.402 sqm Office Buildings	No details disclosed yet
515 sqm Residential projects	n/a Residential projects	15,654 sqm Residential projects	1. Korai Str. 2. Lykourgou & Aiolou Building 3. Lavrio
n/a Mixed use	52.909 sqm Mixed use	139.302 sqm Mixed use	
10.081 sqm Hospitality	n/a Hospitality	6.170 sqm Hospitality	
n/a Logistics	n/a Logistics	120.000 sqm Logistics	

Source: Eurobank Equities Research, Company data.

The Group's investment pipeline has quintupled over the last 4 years reaching a completion GDV of €1.2bn in 2023. Operating since 2005 and having completed multiple projects since then, the group has entered in rapid growth phase, particularly since 2020. In 2023, the company expanded its development portfolio by initiating three projects with an estimated combined GDV of c€273m. These projects included:

- Acquisition of the remaining 25% stake in the FIX mixed-use development in Thessaloniki;
- Developing a site at Iera Odos in Elaionas, Athens;
- Developing a property owned by the Technical Chamber of Greece (TEE) in Maroussi, Athens, under a property consideration agreement.

Furthermore, the group expanded its portfolio through strategic acquisitions within the existing Minion project (building purchases) which added c€35m to group GDV.

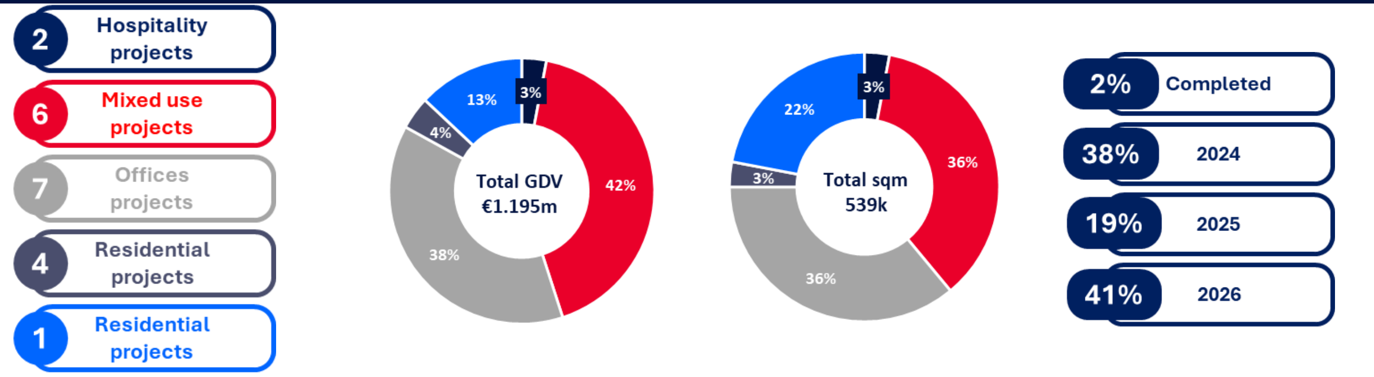
Evolution of Dimand's GDV

EURm	2020	2021	2022	2023
Completion GDV (AUM)	332.8	524.3	915.2	1,194.9
Dimand's participation rate	*57.8%*	*60.7%*	*79.0%*	*80.0%*
Completion GDV (Dimand share)	192.4	318.3	723.0	955.7
% growth	*27%*	*65%*	*127%*	*32%*

Source: Eurobank Equities Research, Company data

Looking ahead, management forecasts that 2024 will be a landmark year for the company, with anticipated exit from four key projects (Minion, EEDE Patisia, Insignio, and HUB 26 Salonica). As illustrated in the chart below, the completion timeline for the current projects extends through 2026, with the majority involving mixed-use and office projects. Regarding the nature of new projects, the company is focusing on developments that are larger in square footage than those previously completed.

# of projects per type | **GDV & Sqm per type** | **Estimated completion**



Source: Eurobank Equities Research, Company data.

A. Group structure – Key projects

Due to its business model needs, Dimand mainly operates through SPVs, each corresponding to a distinct project, with the company typically holding a majority stake. This arrangement introduces an additional layer of complexity to Dimand's structure, as profitability and ability to generate cash flow are derived from its interests in these SPVs—each governed by its own specific interest and consolidation rate. The table below provides a concise overview of Dimand's project portfolio, as of end December 2023:

#	Project	Subsidiary	Location	Use
Projects in progress as of 31.12.2023				
1	**Piraeus Tower**	Piraeus Tower SA	Piraeus	Mixed
2	**Minion**	Alkanor SA	Athens	Mixed
3	**Corner Office/PR138**	Piraeus Regeneration 138 SMSA	Piraeus	Offices
4	**3V**	3V SA	Piraeus	Mixed
5	**Insignio**	Insignio SMSA	Maroussi	Offices
6	**Elaionas Business Park**	IQ Athens SMSA	Athens	Offices
7	**Hub 204**	HUB 204 SMSA	Piraeus	Piraeus Courthouse
8	**Hub 26**	Ourania SA	Thessaloniki	Offices
9	**Hub 26 - Building E**	Citrus SMSA	Thessaloniki	Offices
10	**Fix Brewery**	Filma Estate SMSA	Thessaloniki	Mixed
11	**Balkan Export Premises**	Aghialos Estate SMSA	Thessaloniki	Logistics
12	**Peania Office Park / Rehau**	IQ Karela SA	Paeania	Offices
13	**Evgeneia**	Eugeneia Homes SA	Piraeus	Offices
14	**Office Building**	Random SMSA	Patissia	Offices
16	**Apellou**	Lavax SMSA	Athens	Offices & Retail
17	**Kalliga**	Kalliga Estate SMSA	Filothei	Residential
18	**TEE**	DI Terna SA	Maroussi	Offices
18	**Mykonos B**	Dimand (50%) / Terra Attiva SMSA (50%)	Mykonos	Residential
19	**Mykonos D**	Perdim SMSA	Mykonos	Residential
20	**Omonoia**	Rinascitta	Athens	Hotel
Recently announced/new projects				
21	**Korai & Stadiou Str.**		Athens	Offices
22	**Lykourgou & Aiolou building**	Lykourgos SMSA/Ianos SMSA	Athens	n/a
23	**Lavrio**		Lavrio	n/a

Source: Company, Eurobank Equities Research
Note: Cante holds a participation of 10% in Rinascitta (indirect participation of Dimand: 6.5%)

We describe the key projects representing 79% (€945m) of total GDV in more detail below:

1) **Insignio:** Dimand's subsidiary Insignio is developing an office complex on a 10,632 sqm plot located in Maroussi (Athens). The project features two buildings with a leasable area of about 24,940 sqm, designed with sustainability and bioclimatic principles in mind. Emphasizing a friendly, flexible, and creative working environment, the complex aims for WELL and LEED Gold certification. On February 22, 2023, Arcela Investments Limited, another subsidiary, entered into a preliminary agreement to sell all shares of Severdor Ltd, which owns Insignio, to Eurobank for €74m (based on the net asset value method, on a cash-and debt-free basis). Moreover, a preliminary lease agreement with PwC has already been signed.

2) **Piraeus Tower:** In February 2020, Cante Holdings (JV of Dimand 65% and EBRD 35%) and Prodea REIC jointly established Piraeus Tower S.A. with a 70/30 participation respectively. In July 2020, Piraeus Tower S.A. signed a 99-year concession agreement with the Municipality of Piraeus for the utilization, management, and exploitation of the Piraeus Tower. The company developed a business plan to transform the tower into an office and retail building, with the project opening being realized in June 2024.

3) **Minion:** Dimand's subsidiary Alkanor is engaged in the acquisition and redevelopment of the "MINION" building complex located in central Athens. The redevelopment strategy aims to transform the site into a modern facility, integrating retail stores, offices, and dining areas, for leasing purposes, while residences will be created in an independent building of the complex. This approach not only serves to rejuvenate a key area in Athens but also positions the historic "Minion" department store as a dynamic hub for business and leisure.

4) **Hub 26:** The JV Ourania SA, in which Dimand holds a 65% stake through its subsidiary Gravitousia Ltd, owns four land plots with a total area of 7.7K sqm in the "FIX" area on the western side of Thessaloniki. The JV is executing a business plan aimed at developing the first sustainable office complex in Thessaloniki designed for leasing.

5) **Elaionas Business Park - Softex:** The project aims to transform the former "Athens Papermill" industrial site into a state-of-the-art mixed-use complex. This development, situated on a 49.3K sqm plot in the Elaionas area, was acquired by IQ Athens SMSA on February 28, 2023. The ambitious business plan for this project emphasizes the creation of a modern mixed-use complex, adhering to the principles of bioclimatic design and aiming for LEED certification for high-energy class buildings.

6) **Balkan Export Premises – Aghialos:** The subsidiary Aghialos Estate SMSA owns a plot of land approximately 356K sqm, located in the suburbs of Thessaloniki. The project envisages the creation of an advanced logistics complex, with an approximate total area of 120K sqm, poised to be the largest logistics center in Northern Greece. Furthermore, the development envisages the installation of photovoltaic panels on the facility's roof for energy production.

7) **Former FIX BREWERY:** The former FIX Brewery, located in Thessaloniki and known as the "FIX Complex," consists of a plot of land and industrial buildings with a total area of approximately 25.2K sqm. In 2022, Filma S.M.S.A., a subsidiary of Dimand, acquired a 75% share of the property and completed the acquisition of the remaining 25% in August 2023. The business plan envisages the development of a mixed-use bioclimatic complex designed for leasing, marking a significant transformation of this historical industrial site into a sustainable and modern urban space.

8) **3V:** The JV 3V S.A. owns a property of 18.7K sqm in the Southern part of Athens (Neo Faliro), planned for the development of a mixed-use complex. On December 15, 2022, 3V S.A. expanded its holdings by acquiring an adjacent plot of 787 sqm for €1.1m, integrating it with the existing property to facilitate the planned development.

Key project details								
Metric	**Insignio**	**Piraeus Tower**	**Minion[1]**	**Hub 26**	**Elaionas Business Park**	**Balkan Export Premises**	**FIX**	**3V**
GDV (€m)	69.0	130.5	70.0	56.1	189.1	152.3	147.7	130.9
Est. Exit	2024	2025	2024	2024	2026	2026	2027	2027
% Pre-let	100%	70%	100%	75%	30%	-	-	-
% Pre-sold	100%	-	-	100%	-	-	-	-
GBA (sqm)	24,941	34,329	18,580	30,789	79,202	120,000	60,014	63,965
Participation	100%	45,5%	100%	65%	100%	100%	100%	57.3%
% completion	39%	90%	39%	71%	3.1%	3.4%	0.8%	n/a
Fair value, €m (100%)	42.7	120.4	38.2	35.7	27.4	10.6	18.0	20.7

Source: Company Data, Eurobank Equities Research
Note: 1. The estimated exit in 2024 relates to the commercial part of the building with a GBA of 13.8K.

B. Skyline

Besides the aforementioned projects, key for Dimand's investment thesis is the project Skyline, which we treat and present differently, given the completion of the transaction is yet to be wrapped up (expected by mgt in 2024). In more detail:

In February 2023, an agreement was signed for the transfer of 65% of the share capital of Skyline Real Estate Single Member S.A. from Alpha Group Investments Ltd, part of the Alpha Bank Group, to the investment scheme P & E INVESTMENTS SA, in which Dimand holds a 75% stake (and PREMIA S.A. holds the remaining 25%). The final transaction price will be determined at the time of the share transfer. Of note is that before the closing of the transaction, EBRD will participate with a 20% stake in P&E Investments SA (by acquiring a 20% stake from Dimand).

Notably, the total value of the real estate portfolio was agreed in early 2023 at c€438m. Alpha Bank will provide long-term financing of up to €240m to Skyline as part of the agreement. The portfolio includes 573 properties of various uses (offices, retail stores, residences, industrial facilities/logistics, etc.), with a total gross area of approximately 500K sqm. The portfolio comprises real estate assets with good and marketable titles (not NPEs), strategically selected for either sale or retention. According to press reports, 75 of the assets are to be retained, with the remaining c500 to comprise the trading portfolio that will be gradually disposed. The investment horizon is 5-7 years (namely until 2028-2030).

Skyline overview
EURm unless otherwise stated

Structure		**Entry value**	**Exit value***
Number of properties	**573**		
Entry enterprise value		**438**	**671**
- of which: Trading portfolio	498	c175	219
- of which: Hold portfolio	75	c263	452
Skyline consortium	**%**	**258**	
Dimand consortium	**65%**	**168**	
- of which:			
- Dimand	55%		
- Premia	25%		
- EBRD	20%		
Alpha	**35%**	**90**	
Entry value (GAV)		**438**	

Source: Eurobank Equities Research (EER) * EER estimates.

In more detail:

- **Trading portfolio:** Dimand mgt has indicated that a considerable number of properties have already found buyers, ensuring early cash inflows for the consortium. In our model, we have assumed that the Hold portfolio makes up c60% of the entry value, with the remaining c40% being accounted for by the trading assets. We assume a 25% sales pre-tax margin, thus leading to an exit value of c€220m for this part of the portfolio. Note that press reports seem to have referred to a number near €240m.

- **Hold portfolio:** The Hold portfolio ought to benefit from asset enhancement/redevelopment efforts. In our model, we have assumed a c€75m capex envelope for redevelopment (at the high end of the capex range guided by mgt). We expect the assets to generate income of c€17/sqm/month upon maturity, thus leading to an exit rental income near €29m. Assuming a c6.5% exit rental yield indicates an exit valuation of c€450m.

From a valuation viewpoint, we estimate a cash profit of >€40m from **the trading portfolio** (for the Dimand-led consortium), which we expect to be relatively front-loaded (namely by 2025). Using the assumptions above and assuming that capex is funded by c75% with debt, we anticipate c€40m cash profit from **the Hold portfolio** at exit, which is likely to take place in 2028-30.

Operationally, with rentals near €27-28m by 2027e and assuming an EBITDA margin >75% after redevelopments conclude, we estimate cumulative cash EBITDA over the period through to 2029e to reach near €100m.

Summing these three elements, we estimate a nominal value for Skyline near €160m, or c€104m for the Dimand-led consortium. This corresponds to a cash multiple of >2x (on the equity invested by the consortium) by our calculation, an estimate which is somewhat more conservative than mgt's own projections (c2.5x). The present value of this cash profit is hard to gauge given the lack of clarity regarding the timing of the actual flows. That said, utilizing a c11% discount rate and discounting the nominal amount for 8 years (to account for the backloaded nature of the exit inflow), we estimate a c€45m proportionate net value for the consortium. This corresponds to c€1.3/share attributable to Dimand shareholders (for Dimand's 55% stake).

Skyline Valuation

EURm unless otherwise stated		Exit
Trading portfolio		
Sale		219
Invested capital		-175
Cash profit		**44**
Hold portfolio		
Value		452
Invested capital		-338
Financial expenses		-75
Cash profit		**39**
Cumulative cash operating income stream (post tax)		**77**
Skyline value (nominal)		**160**
Skyline value (nominal), proportionate		**104**
Equity invested by consortium		96
Cash profit (net)		**104**
Cash multiple		2.1x
Present value of cash profit		45
Assumed Dimand effective stake	55%	25

Source: Eurobank Equities Research

Another way to look at the above is to deduct the c€258m that will be contributed by the consortium during the life of the project from the estimated equity value at the exit, namely 2029e. This will require making assumptions about the capital returns over 2023-2030. Given our estimate for cumulative pre-tax profit of >€180m over this period (including revaluations and profits on sale), we believe capital returns could be of a similar magnitude. We summarise our line of thinking in the table below:

Skyline Valuation 2		
EURm unless otherwise stated		
Exit value of Hold portfolio		**452**
- debt at exit		-221
Debt initial		*180*
Additional debt		*56*
Organic cumulative FCF generation		*15*
Equity value at exit		**231**
Minus total equity contributed		**-258**
Net capital return		**187**
Skyline value (nominal)		**160**
Skyline value (nominal), proportionate		**104**
Present value of cash profit		45
Assumed Dimand effective stake	55%	25
Source: Eurobank Equities Research		

C. Business model and strategy

Dimand employs a strategic business model that spans five key phases from inception to completion. Through this model, it prioritizes value creation, sustainable practices, and strategic growth across a diverse portfolio of property uses, ensuring alignment with precise investment criteria and financial returns. We point to the following as the core pillars of the business model:

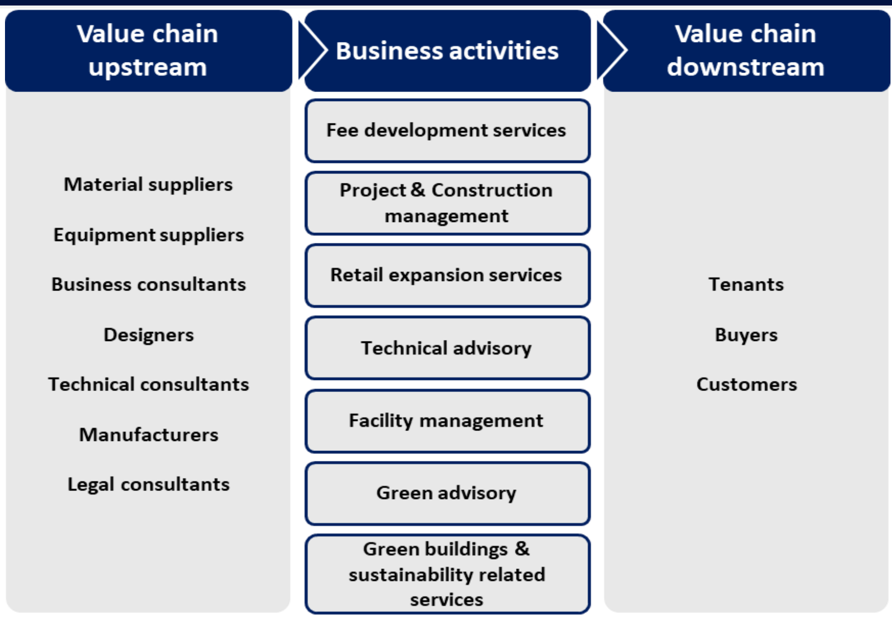
The business model

1. Buy	During the acquisition phase, the focus is on selecting land plots or assets based on specific investment criteria, including a detailed urban planning review to align with strategic goals. The process also involves conducting bankability assessments and comprehensive legal and technical due diligence to ensure project viability and to gauge investment risks.
2. Plan	During the planning phase, the focus shifts on preparing for licensing and commercial use, encompassing the development of a master plan and concept design. This stage involves crafting a detailed business plan to outline the project's trajectory and financial forecasts. Additionally, securing long-term financing at the project level becomes paramount, to ensure the necessary funds are in place to support the envisioned development.
3. Develop	The development phase of a project typically lasts between 24 and 48 months, beginning with the acquisition of a building permit to establish the project's legal and structural framework. During this time, commercial negotiations with potential buyers are initiated to prepare for future occupancy. To ensure smooth project execution, a construction agreement is formed early, outlining the project's specifications, timelines, and financial details.
4. Lease	During the leasing phase, the aim is to increase the value of properties by establishing leasing agreements with top-tier tenants. This strategy effectively renders the properties income-generating and fully completed assets, thereby improving their appeal to potential buyers.
5. Exit	In the exit phase, the strategy shifts towards divestment to realize the enhanced value created throughout the development process. The emphasis lies on maximizing the value of the project-specific SPV through the sale of Dimand's stake.

Source: Eurobank Equities Research, Company data.

To provide a clearer understanding of the business processes, the value chain diagram below outlines the essential components and activities. Suppliers are a core part of the supply chain providing crucial materials, equipment, or services necessary for operations, and selected based on ESG criteria pertaining to their business functions. The value chain extends to end consumers, encompassing tenants, buyers, and clients, illustrating how the company interacts with its stakeholders across all stages of its business activities.

Value chain



Source: Eurobank Equities Research, Company data.

Bellow, we examine the company’s growth strategy and investment criteria guiding business decisions:

- **Type:** The company's development projects fall into three categories: greenfield, brownfield, and urban regeneration, all dedicated to sustainable development. Greenfield projects build on unused land, incorporating advanced sustainability practices from the start. Brownfield projects rejuvenate previously used sites, often dealing with contamination or neglect, and focus on sustainable redevelopment. Urban regeneration efforts revitalize established urban areas, improving their sustainability and liveability while maintaining their cultural and social integrity.
- **Sustainable development:** Sustainable property development, especially in cases of achieving LEED certification at the Gold level, represents a commitment to environmental stewardship and operational efficiency. This prestigious certification underscores a project's adherence to stringent standards in energy use, water efficiency, CO_2 emissions reduction, improved indoor environmental quality, and resource stewardship. This not only benefits the environment but also enhances the well-being of occupants and contributes to the long-term value and appeal of the property.
- **Uses:** Dimand focuses on developing properties with specific uses, prioritizing locations with convenient access to public transportation. More specifically, the company invests, among others, in the following categories of real estate:
  - **Office spaces** exceeding 5,000 sqm., strategically located in Athens, Northern Greece, and Patras (effectively the biggest urban areas in Greece), catering to businesses seeking prime locations with easy transit options.
  - **Mixed-use buildings** in Athens and Thessaloniki, blending retail, office, and residential spaces to create vibrant urban hubs.
  - **City hotels** in Athens, Thessaloniki, and Patras, aiming to enhance the urban hospitality landscape with strategically placed accommodations.
  - **Tourist complexes** on various Greek islands, designed to offer comprehensive holiday experiences while showcasing the natural beauty and culture of each location.
  - Warehouses / **logistics centers**, primarily in Attica and Thessaloniki, supporting supply chain needs with well-positioned storage and distribution facilities.
- **Size:** Dimand's projects span a broad spectrum of value, ranging **from €5m to €150m**, reflecting the company's versatile investment strategy across various real estate ventures.
- **Risk mitigation:** Risk mitigation in real estate development entails strategic measures such as diversifying income streams and securing early contracts with tenants and buyers to stabilize finances and reduce risks from market fluctuations. Additionally, forming institutional partnerships enhances access to capital and project credibility.
- **Structure and financing:** For each project, a SPV is utilized for acquisition, with the financing structure typically composed of 25%-35% equity and 65%-75% debt. This approach allows for a balanced allocation of resources, ensuring that there is enough equity stake in every project to attract debt financing on favourable terms, thereby optimizing the capital structure for each venture.
- **Returns:** Dimand aims for **IRR** > **20%** and MOIC exceeding 1.5x, over an average period of 3 years on a portfolio basis. This ambitious financial objective underlines the company's strategy to achieve substantial returns on investment, leveraging its expertise and market positioning to maximize value creation within a relatively short timeframe.

Financial overview

A. Historical performance

Navigating financial complexity through SPV set-up and pre-sales agreements

As mentioned previously, Dimand presents an interesting case for financial analysis due to its distinctive business model. Unlike many property developers that focus on retaining assets for rental income, Dimand is engaged in developing income producing assets for sale and often enters into joint ventures with strategic partners instead of having full project ownership, while also offering other services to third parties or the project SPVs. This approach significantly influences the company's revenue recognition and the informative value of its profit and loss (P&L) statement.

Revenue recognition mostly tied to real estate services

In the case of Dimand, revenue recognition mostly relates to contracts for providing services to third parties, including project management and maintenance services (real estate services), rather than being tied to the development of investment properties. As far as the revenue categories are concerned, Dimand revenues are associated with the following:

- **Project Management Services**: These services encompass comprehensive project coordination, including preliminary studies, licensing, construction, and overall project management. Dimand recognizes revenue for these services over time, using an input method based on the costs incurred relative to the total estimated costs of each project. The contracts typically define fees as a percentage of construction costs, with a maximum fee cap based on the project's budget. Revenue recognition follows the progression of incurred costs, reflecting the ongoing delivery of service to the client.

- **Building Construction Services**: For building construction, revenue recognition occurs over time, correlating with the asset's enhancement. This revenue line is affected by potential delays in the development progress of each asset.

- **Facility Maintenance Services**: The company provides both preventive and corrective maintenance services for buildings and facilities. This series of distinct but essentially similar services is considered a single performance obligation fulfilled over time, with revenue recognized in alignment with the delivery of benefits to the customer.

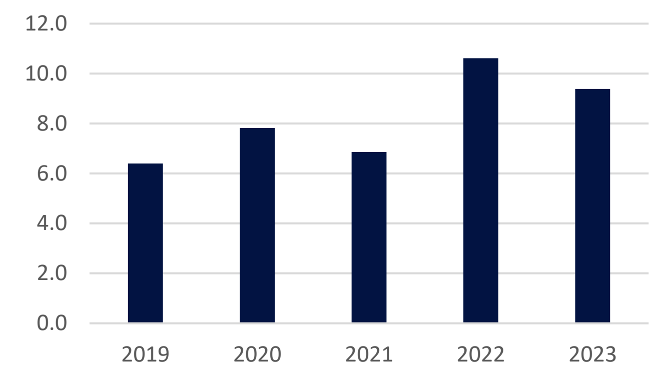
- **Consulting and other Services**: Consulting revenues relate to services concerning property acquisition/sale of third parties. Other services related to administrative support (e.g. accounting, legal, and secretarial services) and are recognized as revenue over the term of the contract on a straight-line basis, reflecting the continuous provision of these services to clients.

- **Income from the Sale of Property**: Revenue from property sales is recognized at the point of control transfer, specifically when legal title passes to the buyer. Such revenue tends to be lumpy and rather unpredictable in nature, as it depends on transactional activity.

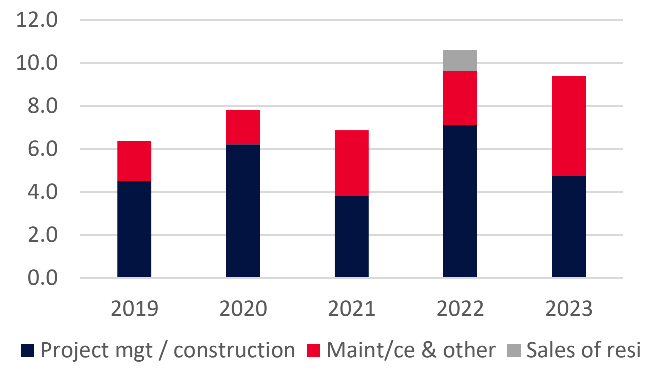
- **Profit from the sale of participations (project SPVs):** Capital gains from the sale of project SPV shares are recognized at transfer. Such realized gains are offset against previous fiscal years' valuation gains and the net difference adds up to the year's earnings.

We provide below an overview of Dimand's revenue evolution in the last few years, mainly to offer some background regarding income drivers. As can be seen, revenues have ramped up from c€6-8m over 2019-2021 to c€9-11m in 2022-23. In 2022, the increase in the revenue base was due to the uplift in revenues related to the provision of project management services, which has been the main driver of Dimand's P&L in recent years. In 2023, revenues fell on a yoy basis in the absence of sales of residential houses and asset monetization.

Evolution of Dimand revenues in EURm



Dimand revenues (EURm) by category

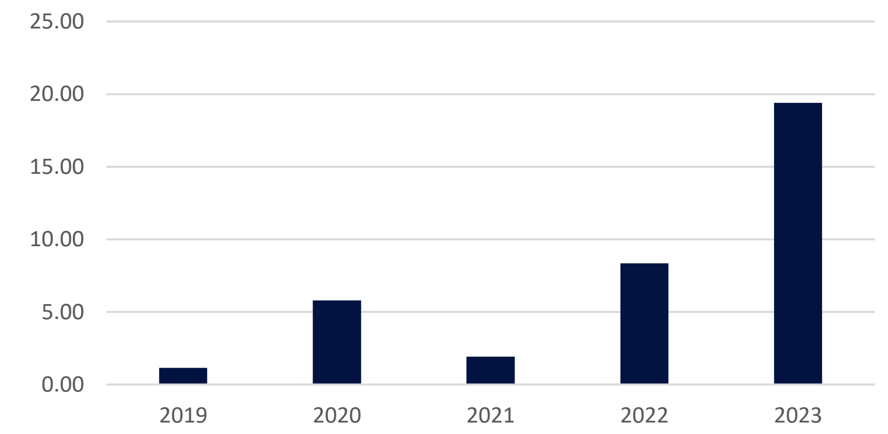


Source: Eurobank Equities Research, Company.

For the company's **real estate investment activity**, which - as we mentioned above - operates on an asset monetization business model, we offer some background regarding the accounting treatment and presentation within the financial statements. When an investment property (land, building etc.) is acquired, it is initially recognized on the balance sheet at cost. After initial recognition, investment properties are presented at fair value, based on prices prevailing in an active market. **Changes in fair values are recorded in the P&L as "Net fair value gains / losses of investment property".** Investment property is derecognised when disposed of. In cases of sale of an investment property, its carrying amount is adjusted to the fair value at the date of transaction while the difference between the sale price and the fair value is recognised in the P&L as investment property gain/loss.

To put it simply, during the construction of the property, the fair value tends to increase, something reflected in the P&L (and BS) from an accounting perspective. From a cash perspective, this fair value increase gets realized once the property is sold. Below, we outline the historical fair value gains for Dimand as well as its divestments. Notably, in 2023, there were significant fair value gains amounting to €19.4m. These can be attributed to the expansion of the company's investment portfolio and the maturing stage of development, as well as to rising real estate prices in Greece.

Net fair value gains/(losses) on investment property in EURm



Source: Eurobank Equities Research, Company data.

Track record of strong returns on invested capital

With these in mind, the timing of divestment is clearly crucial, as it is the point at which the company receives cash and realizes gains from its investments. Effectively, the company's value stems from its ability to sell investment properties at a profit relative to the development cost (in essence, the difference between the exit yield and the yield to construct). Below, we offer some indicative examples of completed projects and their returns:

Omonoia – Moxy Hotel [1]			Maroussi Campus – Kaizen Gaming offices		
Omonoia [1]		*in € '000s*	**Maroussi Campus**		*in € '000s*
Exit GDV	100%	26,072	Exit GDV	100%	42,241
Exit proceeds	35.75%	4,920	Exit proceeds	65%	9,989
Invested capital		1,768	Invested capital	65%	7,589
Profit		3,152	Profit		2,400
MoIC	4.5 yrs	2.78x	MoIC	2.0 yrs	1.24x
IRR		64.64%	IRR		21.80%

Source: Eurobank Equities Research, Company.
Note: 1. Cante retained a 10% partcicipation (Dimand's indirect participation is 6.5%).

This means that the company's financial performance is closely linked to the completion of and exit from its projects, which can vary in duration and timing. As such, the P&L statement does not fully capture the company's operational health or performance over a reporting period. Due to the long-term nature of these projects, the capital invested and related expenses precede cash inflows from sales, thus leading to significant fluctuations in reported earnings and cash flows from one period to the next.

Furthermore, Dimand's strategy of forming joint ventures affects its financial reporting. Joint ventures can complicate the revenue recognition process, as earnings from these partnerships (based on participation rate) are recognized as other income in the P&L (rather than revenue). This can make it challenging to directly compare Dimand's performance with that of companies that own their projects entirely.

Pre-sales agreements add another layer of complexity to financial analysis. These agreements, in which properties are sold before completion, can provide early cash flow but also necessitate careful accounting, as in these cases investment properties are reclassified as inventories and the prepayment amount increases trade liabilities until the completion of construction. This matching principle is crucial for accurately portraying the company's financial health but can obscure the immediate understanding of business performance through a standard P&L statement.

In conclusion, analyzing Dimand's financial performance requires a nuanced understanding of its unique business model, while traditional P&L items, such as revenues and net income, are less useful for the company's health than the case for other industries.

Having in mind the caveat that the P&L performance is not too informative, we present an overview of key operating metrics by segment in the following table:

Analysis by sector		
EURm	2022	2023
Revenue	**10.6**	**9.4**
– of which real estate services	10.3	12.7
– of which real estate investments	1.0	0.0
– of which other	0.0	0.0
– of which eliminations	-0.7	-3.3
Operating profit	**7.1**	**18.4**
– of which real estate services	5.3	8.1
– of which real estate investments	8.7	19.3
– of which other	-7.2	-6.6
– of which eliminations	0.2	-2.4
Net profit / (loss)	**-7.8**	**13.2**
– of which real estate services	5.1	7.5
– of which real estate investments	-5.9	14.7
– of which other	-6.6	-7.2
– of which eliminations	-0.4	-1.8

Source: Eurobank Equities Research, Company data

We note that unallocated/other income and expenses refer to personnel expenses, depreciation of property and equipment, and amortisation of intangible assets, net loss on impairment of financial assets, other income, other expenses and income taxes.

B. Indicative project mechanics

Given that developer earnings often lag presales, and the discrepancy can be significant for those companies implementing many projects in a short timeframe — due to the mismatch between capex and divestments — we believe it would be insightful to present how typical project mechanics work for Dimand, given the group's hurdle rates and historic track record.

We attempt to depict this in the table below. We assume a property valued at €100m upon completion (at c6% exit yield) requiring 4-5 years for construction. Dimand has a strong track record of identifying plots in areas with scope for redevelopment, thus acquiring assets at attractive rates. With this in mind, we have assumed a >25% developer margin corresponding to a >8% yield to construct.

From a financing perspective, we assume the project is 65% financed by debt, with the remaining being contributed in the form of equity. This structure is a typical leveraged approach to project financing, aimed at maximizing the potential for equity returns.

Upon exit, after accounting for debt repayment (and considering additional elements such as construction VAT receivables etc.), we estimate net disposal proceeds of €53m. Net cash profits, namely post the equity initially contributed, would amount to €27m in this example. This corresponds to a return on equity (ROE) of >100%, namely a cash-on-cash multiple of >2x the initial investment. The internal rate of return (IRR) for the project would exceed 40%, indicating a highly profitable venture. This example underscores Dimand's adeptness in leveraging financial structures and market conditions to optimize returns on its real estate projects.

Indicative project mechanics	
EURm unless otherwise stated	
Development cost	73
Equity / Development cost	35%
Equity	26
Yield to construct	8.2%
Exit yield	6.0%
Property valuation upon completion	100
Implied rental	*6*
- Debt repayment/other	-47
Disposal proceeds	**53**
- Equity contributed	-26
Net profit	**27**
ROE	**106%**
Cash multiple	**2.1x**
IRR	**>40%**
Source: Eurobank Equities Research	

C. Cash costs and margins

The cost structure for a real estate developer company is multi-faceted, primarily consisting of both direct and indirect costs that together contribute to the overall financial planning and performance of development projects. In more detail:

1. **Direct Costs:**
   - **Land Acquisition Costs:** This includes the purchase price of the land plus any associated legal fees, taxes, and brokerage commissions.
   - **Engineering and Construction Costs:** This category includes materials, labor, and equipment needed for building. It also entails contractor fees, permitting fees, design fees, project management fees and the cost of complying with local regulations.
   - **Financing Costs:** Interest payments on loans taken out to finance the development project form a significant part of the cost structure.
   - **Marketing and Sales Costs:** Expenses related to marketing the properties, including advertising, sales commissions, and showroom setups.
   - **Legal and Professional Fees:** Costs for legal counsel, accounting services, and any consulting required for project planning and execution.
2. **Indirect Costs:**
   - **Overhead:** General administrative expenses, office rent, salaries of permanent staff, and other operational costs that are not tied to a specific project.
   - **Contingency Reserves:** Funds set aside to cover unexpected expenses during the development process.
3. **Developer Margin:**
   - The typical developer margin, which represents the profit a developer expects to make on a project, can vary significantly based on factors such as location, project type (residential, commercial, industrial), and market conditions. However, a general benchmark for a healthy developer margin ranges from 15% to 30% of the project's total revenue. This margin reflects the developer's risk compensation, including market risk, credit risk, and the operational risks associated with completing the project on time and within budget. Across the segments, commercial projects, including office buildings and retail spaces, often have a wider range of margins, which can be significantly affected by pre-lease rates and the status of the economic cycle.

For Dimand, the profitability and achievable margin of each development project are significantly influenced by the company's capacity to add value throughout the development process. **However, the primary factor affecting Dimand’s project margins is often the land acquisition cost. This highlights the company's technical expertise in identifying areas with potential for urban development, demonstrating how strategic land purchases play a crucial role in the overall profitability strategy.**

D. Looking ahead: Increased asset turnover and monetization to boost returns

Revaluations in 2022-23 are prelude for material value crystallization in the coming years as projects mature

As previously noted, Dimand's operations fall into two distinct categories: real estate services and real estate investments. The former is effectively the source of recurring revenue, whereas the impact of real estate investments appears in the operating income through fair value gains (or losses) on investment properties. In more detail:

Revenue from real estate services primarily stems from new subcontracting agreements (including those for developing projects of sold subsidiaries like Citrus and Hub204), alongside contracts for maintenance, investment management, and Dimand's own development projects. In our model, we have assumed double-digit revenue increase for this category over the next two years, namely during the development of Citrus and Hub204, followed by low single-digit growth thereafter. We find the latter sustainable, as service revenues ought to increase as the group adds new projects in its pipeline.

Regarding **real estate investment activities**, income comes from the company's development projects. The income shown in the income statement as "net fair value gains/(losses)" reflects the difference between the book value of the property (reflecting investments and land acquisition cost) and its fair value, which normally increases during construction, partly mirroring the implemented investment. Factors influencing these gains include:

1. **Land Acquisition Cost:** Higher gains are seen when land is acquired below market value.
2. **Location**: High street properties often experience larger gains during construction.
3. **Cost of Construction Materials:** Rising material costs increase capital expenditures, thus potentially diluting fair value gains.
4. **Real Estate Market Trends:** Positive market trends and rising property prices enhance fair value gains.

The below detailed P&L breaks down Dimand's revenue and opex by category. We also show our net fair value gains/(losses) estimates for the company's major projects where it owns 100% (such as IQ Athens, Insignio, Minion, Balkan, and FIX). These figures are calculated based on the data regarding development costs, the current stage of completion, and the estimated year of completion for each project. Specifically, we estimate that, the fair value gains on investment property will reach c€66m in 2024e, up from €19m in 2023, largely driven by significant contributions from the IQ Athens development, and the Minion development (accounting for c€40m in combination). For JVs (Piraeus tower, 3V, Hub26 and other projects), the proportionate annual result is presented in "Share of net profit / (loss) of investments in JVs".

In terms of bottom line, we see PBT exceeding €56m in 2024e, mainly as a result of the aforementioned fair value gains, which reflect Dimand's exit from 4 projects.

P&L per category					
EURm	2022	2023	2024e	2025e	2026e
Total Revenue	**10.6**	**9.4**	**10.5**	**11.8**	**12.1**
Real estate services	10.3	12.7	14.2	15.9	16.3
Real estate investments	1.0	0.0	0.0	0.0	0.0
Unallocated	0.0	0.0	0.0	0.0	0.0
Eliminations	-0.7	-3.3	-3.7	-4.1	-4.2
Net Operating expenses / income	**-3.6**	**9.0**	**41.1**	**21.8**	**38.0**
Real estate services	-5.0	-4.6	-11.4	-8.5	-7.9
Real estate investments	7.7	19.3	58.4	36.5	52.2
– o/w Net fair value gains / (losses) on investment property	8.2	19.0	65.9	39.8	39.8
– o/w gains on disposals (incl JVs)	2.6	1.9	6.8	4.7	17.4
– o/w other income	0.6	3.5	3.5	3.5	3.5
– o/w Net change in inventory property	-1.0	0.0	0.0	0.0	0.0
– o/w taxes and other expenses	-2.7	-5.1	-17.7	-11.5	-8.5
Unallocated / overheads	-7.2	-6.6	-6.9	-7.1	-7.3
– o/w personnel and other expenses	-6.9	-6.3	-6.5	-6.7	-6.9

– o/w depreciation	-0.3	-0.3	-0.3	-0.3	-0.3
Eliminations	0.9	0.9	0.9	0.9	0.9
Operating profit	**7.1**	**18.4**	**51.6**	**33.6**	**50.1**
Share of net profit / (loss) of investments in JVs	-0.2	0.6	10.6	7.4	23.8
Finance income	0.0	0.1	0.3	0.1	1.6
Finance expenses	-12.0	-2.0	-8.4	-8.3	-11.3
Profit/(Loss) before tax	**-5.1**	**17.0**	**54.0**	**32.8**	**64.2**
Income tax	-2.7	-3.8	0.0	0.0	0.0
Profit/(Loss) after tax	**-7.8**	**13.2**	**54.0**	**32.8**	**64.2**

Source: Company, Eurobank Equities Research

Taxation

A point worth mentioning is that according to Article 48a of Law 4127/2013, income from the capital gains on transferring shares in a legal entity is tax-exempt if:

1. The entity whose shares are transferred is a tax resident in an EU member state and not considered a resident outside the EU.
2. The entity transferring the shares holds at least a 10% stake in value or number of shares or voting rights of the other entity.
3. This minimum stake is held for at least 24 months.

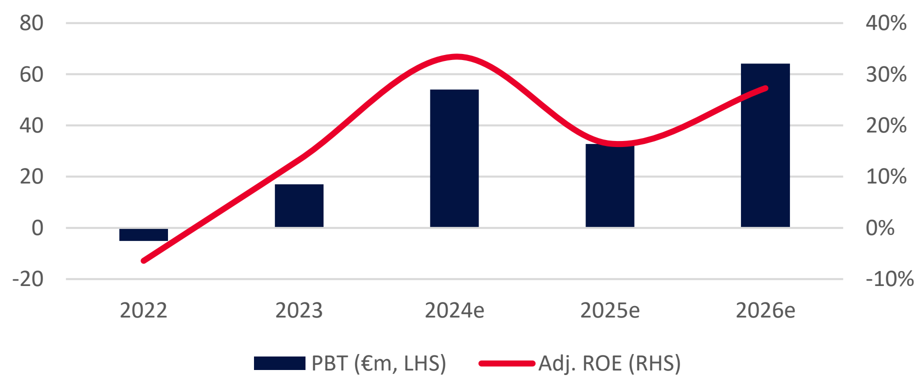
Dimand's set-up means trivial cash tax

The key condition in Dimand's case is the last one and this is typically true, since most exits take place after 3-4 years (or more). In these cases, the deferred tax liability generated annually from asset revaluation gains in subsidiaries, which typically elevates the income tax shown on the profit and loss statement, does not actually impose a financial burden on Dimand. This is because typically exits are executed through the sale of the SPV, and the gains arising from the disparity between the entity's tax value and the sale price are exempt from tax. With this in mind, we reckon the most relevant bottom line metric for Dimand is the pre-tax result, and on that basis, we have actually modelled zero income tax going forward.

Expect rising ROE as asset turnover increases

The big picture in our view is that Dimand's asset-light strategic approach is poised to significantly enhance its return on equity (ROE) as projects mature, since annual fair value gains of investment properties are effectively converted into cash flows upon project completion and exit. With 20 projects poised to be completed over 2024-27e, asset turnover is set to increase markedly in the coming years helping the group bolster its balance sheet, monetize the capital invested and increase ROE. With most of Dimand's landbank being situated in areas with healthy property demand/supply balance, there is reasonable degree of visibility regarding this monetization scope, in our view. **In our model, we incorporate a total c€180m cash profit crystallized from the group's 20 projects in progress through to 2027e, of which some €30m in 2024e. This is set to drive a material uplift in ROE, to 2-digit levels in the coming years.**

Profit before tax in €m & Adj. ROE



Source: Eurobank Equities Research, Company data.

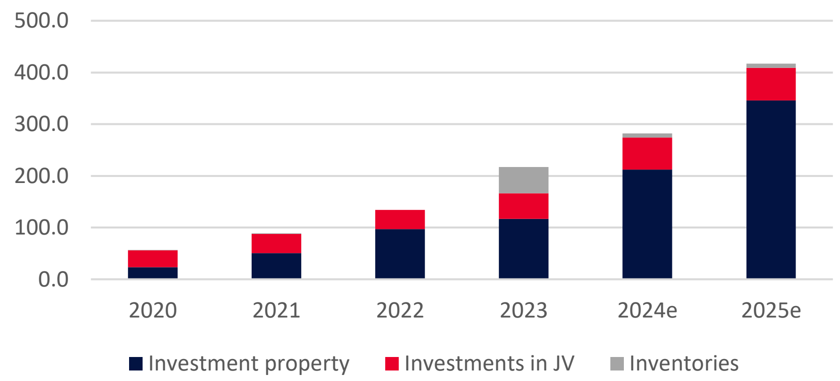
E. Balance sheet, cash flow and returns

The real estate development sector in which the group operates, coupled with the uniqueness of Dimand's business model (one based on asset monetization), means that cash flow generation is rather opaque showcasing variation. The latter is largely due to the timing of project exits. From a balance sheet perspective we flag investment properties, JVs and inventories as sources of value crystallization. In more detail:

- **Investment properties** include properties that are held with the long-term intention of earning rentals or/and for capital appreciation. They include owned or leased land and buildings under construction being developed for future use as investment properties. After initial recognition at cost, investment properties are being measured at fair value, based on prices prevailing in an active market, adjusted, where necessary, due to differences in the nature, location or condition of the respective asset. These valuations are appraised by independent certified professional valuers. Changes in fair values are recorded in profit or loss. Investment property is derecognized when disposed of. When an investment property is sold, its carrying amount is adjusted to the fair value at the date of transaction and any difference is recognized in the P&L under "Net fair value (gains) / losses of investment property". Also, the difference between the sales price and the fair value of an investment property is recognised as "Gain/(Loss) on sale of investment property". If the use of an investment property changes, such as commencing construction with the intent to sell, then it is reclassified to inventories.
- **Investments in joint ventures** are accounted for using the equity method. Under this method, investments in JVs are initially recognised at cost, which is subsequently adjusted by recognising the Group's share of the JVs' profits or losses.
- **Inventories** consist of properties currently under development, intended for sale upon completion. In the case of Dimand, this category includes properties for which the company has signed preliminary agreement of sale or is in advanced discussions. When there is a change in the use of investment properties, such as the start of construction for the purpose of sale, these properties are transferred to inventories at their deemed cost. This cost is determined by their fair value at the time of reclassification. Inventories are then valued at whichever is lower: cost or net realizable value. For FY'23, inventories include the property of Insignio SMSA, Citrus SMSA and Terra Attiva SMSA.

As presented in the diagram below, Dimand has enjoyed a significant increase in its asset portfolio in recent years, with a notable increase in investment property/inventories.

Dimand investment properties, JVs and inventories evolution, €m



Source: Eurobank Equities Research, Company data.

On the **cash flow** front, the company has made some divestments in prior years but at the same time has been investing in new projects under development. As a result, it has expanded its invested capital and has seen its net debt increase on an underlying basis (excluding capital increase inflows).

Looking ahead, management has communicated its intention to **dispose five properties,** namely: Piraeus Tower, Insignio, Minion, EEDE Patisia, and Hub 26. In our modelling, we have assumed a more conservative inflow phasing timeline, penciling in divestment of Piraeus in 2025 (due to the project's scale). The sale of these properties is expected to generate a cash inflow of >€65m in 2024 followed by c€30m in 2025e and even higher inflows from other exits over 2026-27e.

Largest projects' monetization timing (€m)

	Participation	Total GDV	Exit proceeds	2024	2025	2026	2027
Insignio	100%	69	34.5	◆			
Hub 26 (JV)	65%	56	18.2	◆			
Minion	100%	70	35.0	◆			
Piraeus Tower (JV)	46%	132	30.3		◆		
IQ Athens	100%	189	94.5			◆	
Balkan/Agchialos	100%	152	76.2			◆	
Fix	100%	148	73.8				◆
3V (JV)	57%	131	37.5				◆
Other projects	63%	249	78.5			◆	

◆ exit   construction period

Source: Eurobank Equities Research, Company data.
Note: Property valuation reports by independent valuers, end Dec 2023.

We understand that Dimand will leverage the cash generated from the aforementioned asset monetization as a source of funding for the scaling-up of its land bank portfolio, with mgt having recently (6/2024) announced a strategic cooperation with Piraeus Bank for 3 new projects with estimated development cost of c€390mn on our numbers, relating to redevelopments in the broad Attica/Thessaloniki region. These new projects will effectively help Dimand replenish its pipeline by partly redeploying divestment proceeds from exits.

Cash Flow Statement

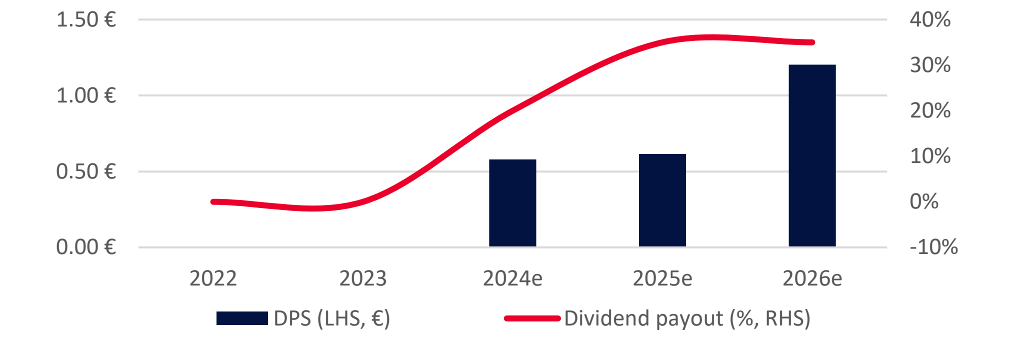
EURm	2022	2023	2024e	2025e	2026e
EBITDA	7.1	19.3	62.5	41.3	74.2
(-) Net fair value gains / (losses) on investment property	-8.3	-19.4	-65.9	-39.8	-39.8
(-) Gains / (losses) on sale of subsidiaries and JVs investments	-2.5	-1.8	-1.4	-4.7	-17.4
Change in Working Capital	-2.6	-4.0	12.8	-6.1	-1.3
Net Interest	-12.3	-1.8	-8.1	-8.2	-9.7
Tax	0.0	0.0	0.0	0.0	0.0
Other	0.3	-0.5	-10.6	-7.4	-23.8
Operating Cash Flow	**-18.4**	**-8.2**	**-10.7**	**-24.8**	**-17.7**
Capex	-66.5	-46.4	-125.7	-93.8	-93.8
Investments in JVs	-8.6	-15.7	-18.8	-19.9	-2.5
Other investing (incl. divi received), incl. disposals	5.0	41.3	65.4	30.3	249.1
Net Investing Cash Flow	**-70.2**	**-20.8**	**-79.0**	**-83.4**	**152.9**
Dividends	0.0	0.0	0.0	-10.8	-11.5
Other	94.0	-3.2	69.5	0.0	170.7
Net inflow (outflow)	**5.4**	**-32.2**	**-20.2**	**-118.9**	**294.3**
Net debt /(cash) excl. leases	**33.5**	**65.8**	**86.0**	**204.9**	**-89.4**

Source: Company, Eurobank Equities Research

We envisage dividend payments during years of project exits, namely as soon as 2025e (out of FY24e profits)

The upcoming project exits and the resulting improvement in the recycling of capital are likely to underpin the payment of a dividend for the first time in 2024e (cash payment in 2025e). This is something communicated by mgt as intention recently. In our model, we have penciled in a dividend distribution of c€10.8mn, corresponding to €0.58 per share.

Payout ratio (% of earnings) and dividends per share (LHS)

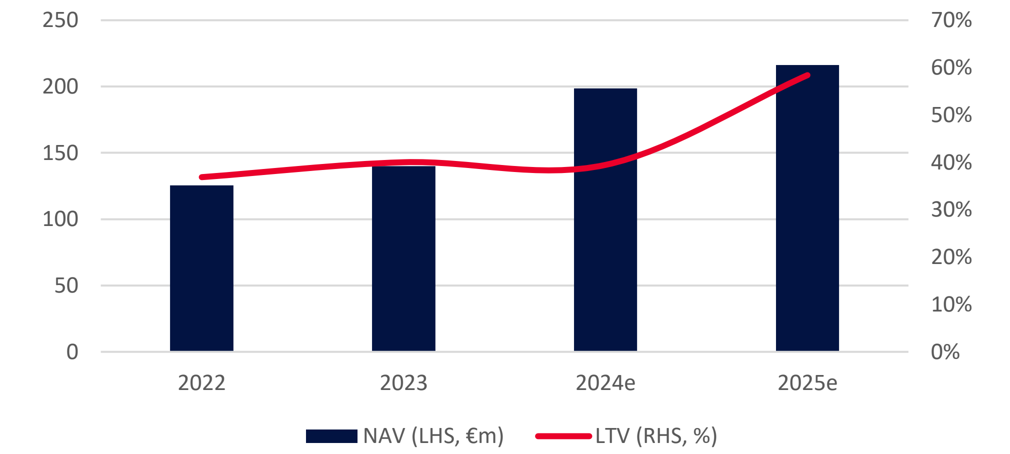


Source: Eurobank Equities Research, Company data.

Dimand maintains a net loan-to-value (LTV) ratio of c40% as of 2023, which looks reasonable in a sector context. In fact, due to the easy monetary settings prior to 2022, many international peers have found themselves operating with higher leverage ratios, typically exceeding 50%. We reckon that the current leverage provides Dimand with financial flexibility to capitalize on strategic growth opportunities without overextending its balance sheet, while reducing the risk associated with market volatility and interest rate fluctuations. We expect the LTV ratio to fall just slightly in 2024e in view of asset monetization actions, before rising again temporarily in 2025.

We remind that the company's operations inherently lead to significant fluctuations in free cash flows, predominantly influenced by investment activities. Positive cash flows generally occur in years with asset divestitures, but these inflows could be offset by ongoing investments in other properties.

NAV and LTV



Source: Eurobank Equities Research, Company data.

We note that our model does not yet consolidate the recently announced new projects, awaiting further details/granularity, although, as we explain in the relevant section, we have reflected these in our valuation.

FY'23 overview

Significant improvement in results driven by asset revaluations; €13.2m net profit, NAV at €140m

In FY'23, Dimand managed to return to positive bottom line delivering €13.2m net profit compared with a €7.8m loss in the previous year, as a result of an increase in operating profits to €18.4m. The latter was largely driven by revaluation gains, which effectively reflect future asset monetization. Specifically, revaluation gains surged to €19.3m from €8.2m the previous year, as a result of the signing of lease agreements and the execution of acquisition agreements throughout 2023. Of note was that there was no significant disposal of assets during 2023.

The improved performance was also manifested in the growth of NAV to €140m from €125.5m in FY22. The total Gross Development Value (GDV) of Dimand's projects shaped at €1.2bn, encompassing 20 projects expected to be completed by the first half of 2027.

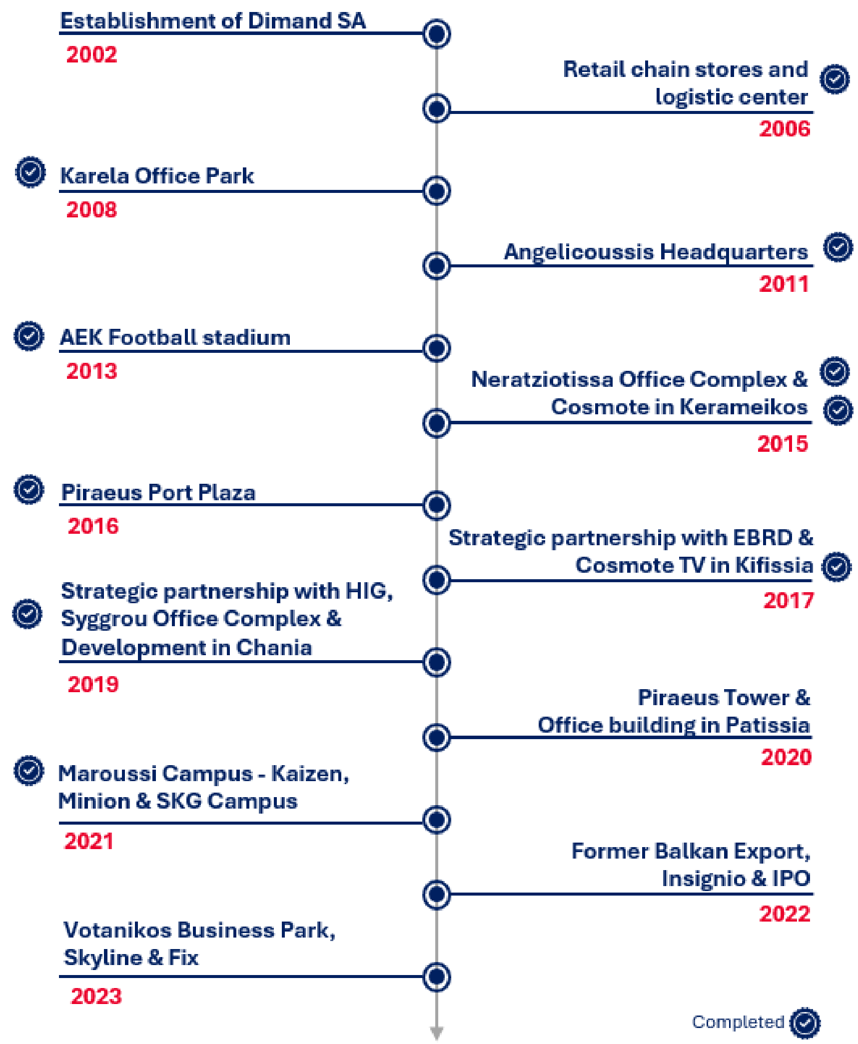
P&L	0.00	0.00	
EURm unless otherwise stated	**2022**	**2023**	**yoy**
Revenue	**10.6**	**9.4**	**-12%**
Net fair value gains/(losses) on investment property	8.2	19.3	
Gain on disposal of investment property	0.1	0.1	
Property taxes - levies	-0.6	-1.0	
Personnel expenses	-3.6	-4.1	
Net change in inventory property	-1.0	0.0	
Net impairment gain/(loss) on financial assets	-0.1	-0.1	
Gain on disposal of investments	2.5	1.8	
Other income	0.7	0.8	
Other expenses	-9.6	-7.5	
Share of net profit/(loss) of investments (equity method)	-0.2	0.6	
EBITDA Reported	**7.1**	**19.3**	**171%**
EBITDA Margin (%)	*67%*	*205%*	
Depreciation	-0.3	-0.3	
EBIT	**6.8**	**18.9**	**177%**
EBIT Margin (%)	*64%*	*202%*	
Finance income	0.0	0.1	
Finance expenses	-12.0	-2.0	
EBT	**-5.1**	**17.0**	
EBT Margin (%)	*-48%*	*181%*	*230 pps*
Income tax	-2.7	-3.8	
Net income	**-7.8**	**13.2**	
Source: Eurobank Equities Research, Company data			

Key financials & metrics	0.00	0.00	
EURm unless otherwise stated	**2022**	**2023**	**yoy**
Investment property	97.0	117.1	21%
Investment property classified as inventories	0.0	50.4	n/a
Investment in JVs	37.3	49.3	32%
Net Debt	35.8	67.0	87%
Total equity	122.4	133.6	9%
Net Asset Value (NAV)	125.5	140.0	12%
Net Debt / Total Assets	20%	26%	*6 pps*
Net LTV	**37%**	**40%**	***3 pps***
Source: Eurobank Equities Research, Company data			

History, BoD & Shareholding structure

We present a brief historical summary of Dimand's key projects below, outlining the high quality and consistent project delivery.

Dimand project milestones based on project commencement



Source: Eurobank Equities Research, Company data.

Mr. Constantine Gontikas serves as the Chairman of the BoD. He is an investor through his company, Green Square Capital. Before assuming his current role, he was the Managing Partner at Novator LLP, a family investment firm specializing in direct investments in Central Europe. Prior to Novator, Mr. Gontikas led the investment banking division of Merrill Lynch for Central and Eastern Europe, the Middle East, and Africa, after spending twelve years at Credit Suisse First Boston. He holds a Law degree from the University of Oxford and took on his current role in 2021.

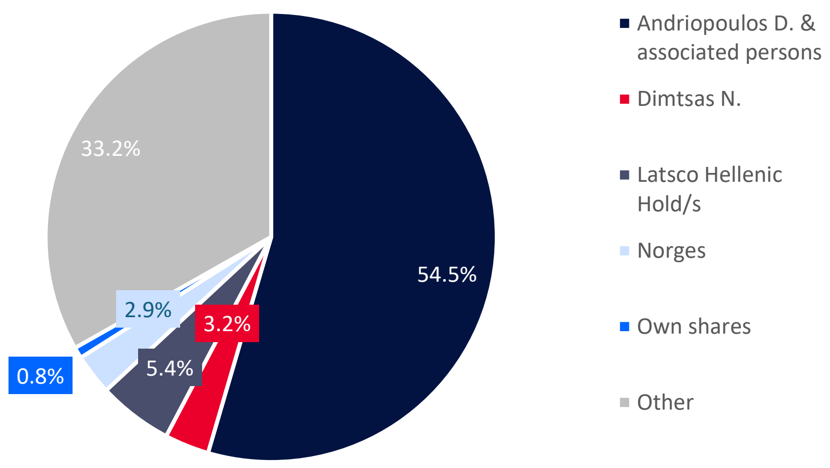
Mr. Dimitrios Andriopoulos holds the position of Vice Chairman of the BoD and CEO, bringing a diverse professional background to his role. He has played a part in the top management of well-known organizations across various sectors, including real estate, tourism, shipping, and F&B. Specifically, he was the CEO and shareholder of INTRADEVELOPMENT S.A. (2003 to 2005), CEO of REDS S.A.(1998-2002), and Project Manager at Superfast Ferries S.A. (1994 - 1997). In 2002, he founded DIMAND S.A. and has been in his current position since 2022, also serving as chairman for several years.

Mr. Nikolaos-Ioannis Dimtsas is Executive Board Member and Deputy CEO. He holds a degree in Electrical and Computer Engineering from the NTUA and a MBA from Manchester Business School. He has extensive experience in financial management, investment project evaluation, and corporate transformations. From 1997 to 2002, he served as IR at ETANE and BETANET, and as Financial Director at INTRADEVELOPMENT SA of the INTRACOM Group between 2003 and 2005. From 2005 until 2019, he was the General Manager of Financial and Administrative Activities of Dimand and from 2019 to 2023 the Chief Investment Officer.

Mrs. Anna Chalkiadaki serves as an Executive Board Member and CFO. She brings extensive experience in the real estate sector, including a key role in the founding team of NBG PANGAIA REIC in 2010, which was later merged into PRODEA Investments. At PRODEA, she held the position of Deputy Financial Director and played a significant role in listing Grivalia Properties REIC's shares on the Athens Stock Exchange. Before Grivalia Properties, Chalkiadaki worked at Deloitte, providing audit and consulting services to financial sector companies. She holds degrees in Business Economics from Anglia Ruskin University, Finance from the University of Manchester, and a specialization in real estate market statistics from the AUEB.

Among the aforementioned executives, Mr. Andriopoulos holds c54% of the total share capital and Mr. Dimtsas owns c3.2%. As far as the rest of the shareholder structure is concerned, c5% is held by Latsco Hellenic Holdings and the remaining >30% by other investors, mostly retail investors.

Shareholding structure as of 31.12.2023



Source: Eurobank Equities Research, Company data, Bloomberg.

ESG Overview

Recognizing the increasing significance of ESG considerations for investors, we have expanded our analysis to include an overview of noteworthy findings derived from the company's ESG data. Our focus primarily centers on Dimand's approach to addressing environmental sustainability concerns, ethical responsibilities towards employees and suppliers, and adherence to best practices in corporate governance.

ESG Highlights (2022)			
Environmental Protection		**Social Responsibility**	
33%	of total budget for materials with recycled content	**32%**	increase in the representation of women in board positions from 2021 to 2022
>95%	Diversion of construction waste from landfill	**45%**	increase in the proportion of women in Dimand's workforce from 2021 to 2022
87.1	Scope 1 & 2 emissions in 2022 (tn CO2)	**63%**	increase in training programs from 2021 to 2022
14	LEED certified or registered projects	**x 4.3 times**	increase in employee training costs for 2021 and 2022

Source: Eurobank Equities Research, Company data, ESG Report.

A. Environmental overview

Dimand is at the forefront of sustainable building development, emphasizing energy management, green building certifications, waste management, combating climate change and greenhouse gas emissions, water management, and the use of sustainable materials and circularity principles. As one of the companies leading the Greek market, Dimand has significantly contributed to the promotion of green building practices, with 44% of LEED-certified projects in Greece being associated with the company (there are 32 LEED certified buildings in Greece). All Dimand projects meet at least LEED Gold standards, with three projects achieving Platinum status.

Key features of Dimand's buildings include green roofs that mitigate urban heat island effects, innovative water management systems that fully meet irrigation needs through rainwater and air-conditioning condensate reuse, and the selection of drought-resistant Mediterranean plants to enhance biodiversity and support local fauna.

Energy efficiency is a priority, with the implementation of high vegetation cover, efficient HVAC systems utilizing fan coils and evaporative cooling, LED lighting with smart controls, and a unique air conditioning system that minimizes environmental impact and potable water use. Additionally, Dimand's buildings feature openable façade panels for improved air quality and thermal performance, while undergoing rigorous commissioning processes to ensure optimal thermal performance and water tightness.

Through these practices, Dimand not only promotes environmental stewardship and sustainability but also supports biodiversity, reduces operational costs, and creates healthier, more productive environments for occupants. The company's innovative demand-response feature within the Building Energy Management System (BEMS) further exemplifies its commitment to reducing energy consumption and preparing for future energy savings.

Dimand also focuses on the use of recycled materials, aiming to reduce embodied carbon and the reliance on raw resources. Embracing circular economy principles, the company is committed to responsible resource management and sustainable practices, aiming to repurpose and regenerate resources in its operations. In 2022, 33% of Dimand's material budget was dedicated to recycled content, reflecting its efforts to monitor waste streams and increase recycling rates. Key strategies include tracking material usage to improve sustainability performance, maximizing recycled material use, and reducing raw material consumption. This approach was evident in the Moxy Athens City and Syggrou Office Complex-Building A projects.

B. Social overview

Dimand is committed to social responsibility, implementing a detailed code of business ethics that champions values such as anti-discrimination, health and safety at work and quality assurance and for suppliers and tenants/customers alike. The company fosters an environment of equal opportunity and places a high value on employing skilled workers. Workforce diversity is on the rise, with the percentage of female employees climbing to 45% in 2022 from 31% in the previous year. In terms of employee development, the average training hours per employee in 2022 were 8.2, while training expenditures increased from €4.1K in 2021 to €17.6K in 2022. The company provides equal pay opportunities, with wages - in all employee categories - of men being just 0.85% higher than those of women.

Social overview	2021	2022
% of females employees	31%	45%
% of males employees	69%	55%
Number of employees	86	56
Avg training hours per employee	n/a	8.2
Training expenditures in €	4,112	17,630

Source: Eurobank Equities Research

Dimand is committed to positively influencing the communities impacted by its projects, with urban regeneration playing a significant role in its strategic and growth objectives. The company employs three primary sustainability criteria to guide its selection of development projects:

1. **Property Type:** Preferring to renovate existing structures rather than building anew aligns with environmental sustainability by minimizing material usage and avoiding the carbon footprint associated with demolition.
2. **Location Considerations:** Project site selection prioritizes proximity to public transportation, addressing both environmental objectives through reduced emissions and social benefits by offering accessible and cost-effective transit for inhabitants and visitors.
3. **Local Economic Impact:** The condition of the local economy is a pivotal factor in choosing projects. Dimand focuses on positively influencing the local economy and community by focusing on underdeveloped or neglected areas. They achieve this through initiatives like creating green spaces, generating job opportunities, and stimulating local economic activity.

C. Corporate governance overview

As far as corporate governance in concerned, we have applied our own framework to assess adherence to best practices, as outlined in the Greek Code of Corporate Governance, as published in June 2021. Our analysis has concentrated on essential governance metrics that we consider important to investors, such as board composition and independence, executive compensation, and oversight through independent committees. It is worth mentioning that we have conducted a comparable analysis for all stocks within our coverage universe, enabling us to evaluate Dimand's relative positioning in comparison to other companies.

The KPIs we have used to measure performance in each broad category related to corporate governance are the following:

1. **BoD Structure**
   a. **BoD size:** Best practice suggests that the BoD should be made up of 7-15 members (3-15 stipulated under the Greek law). In the case of Dimand, the BoD consists of 10 members.
   b. **Chairman/CEO separation:** We consider best practice the separation of the two roles, in line with the corporate governance framework in the vast majority of OECD jurisdictions.
   c. **Term of BoD members (period of election):** we consider best practice cases where BoD members are submitted for election every 4 years or less (in sync with the Code).
   d. **Average tenure of BoD members:** we score more highly companies where directors serve on the board for an average period of 3 years or less. Although shorter average tenure may not be directly linked to operational performance, it does reinforce internal discipline and control while also minimizing the likelihood of director misconduct.
   e. **BoD diversity:** One of the main features of a diverse group of BoD members is gender representation, with the law suggesting that this should be 25% at minimum. In our analysis we give credit to companies that go a bit beyond this level (min 30%).
2. **Board Independence and System of Internal Controls**
   a. **% of independent directors in the BoD:** The most recent law for corporate governance suggests that independent directors should account for at least 1/3 of the members of the board. That said, the recommendation included in the Code calls for a minimum of 50% independent directors (e.g. Australia, UK, Sweden, Austria, France, Denmark, Netherlands, Portugal), something which would be in sync with the framework in other jurisdictions and which we also consider as best-practice.
   b. **% of non-executive members in the BoD:** A board of directors in which non-executive members constitute at least 60% is the best practice principle we assess.
   c. **Independent vice-chairman:** Credit is given to companies that have an independent Vice-Chairman who safeguards the independence of the board.
   d. **Independence of remuneration committee:** The Greek law was recently amended to not only make the existence of a remuneration committee mandatory but also to safeguard its independence (majority independent members), as a way of introducing a mechanism for normative controls on management's pay. We credit companies where all members of the remuneration committee are independent.
3. **Alignment of Incentives**
   a. **Granularity on executive remuneration:** alignment of the various stakeholders' incentives is facilitated through a good level of disclosure regarding executive pay, e.g. how remuneration of executive directors is determined, balance between fixed and variable components, KPIs for executive bonus, other contractual arrangements (pensions, stock options, long-term incentive schemes etc.).
4. **Audit Firm Quality**
   a. **Big-6:** Our exercise rewards listed entities audited by Big-6 accounting firms.

We lay out a snapshot of our findings for Dimand in the table below. In short, we do observe some deviations from several key standards, such as the long-term tenure of the BoD (albeit typical for many Greek-listed corporations), the minimum representation of independent directors in the BoD and the relative limited disclosure regarding CEO compensation. On the other hand, we commend the separation of the CEO/Chairman roles and are reassured by the engagement of a Big-6 company as auditor.

Overall, relative to the rest of our Greek universe, Dimand seems to stand at the lower end of the spectrum in terms of compliance with typical corporate governance performance indicators. That said, although these deviations could be seen as a reason for investor skepticism, we do not believe they signal inadequate internal controls or misalignment with the interests of minority shareholders but are mainly the result of the family-type of shareholding ownership, as is typical for many Greek-listed corporations in the small-/mid-cap space.

Dimand | Corporate Governance overview	
Board Structure	
Board Size	10
CEO/Chairman separation?	Yes
Board duration	3
Tenure of the CEO	Long-term
Average Tenure of BoD	Long-term
Female representation in the BoD	40%
Board Independence and system of internal controls	
% of non-executive directors on the BoD	40%
% of independent directors on the BoD	20%
Independent directors on compensation committee	66%
Independent Deputy Chair?	No
Alignment with minority shareholders	
Granularity on CEO max compensation	No
Criteria for CEO bonus	No
Quality of auditor	
Big 6?	Yes

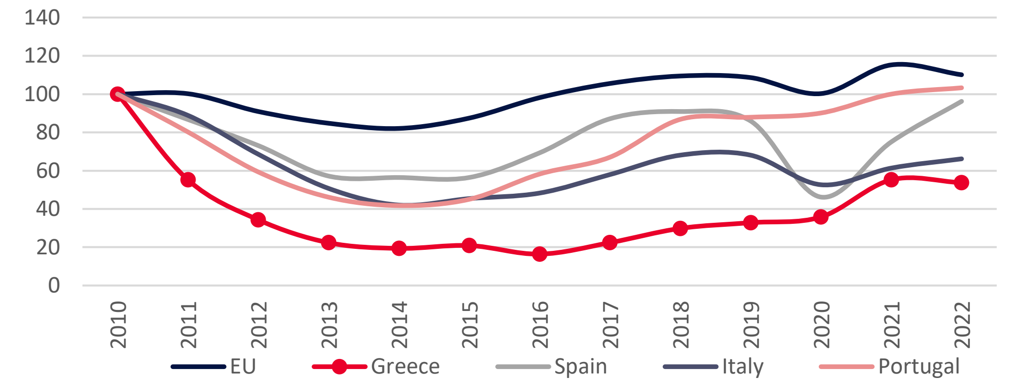
Source: Eurobank Equities Research.

Real Estate Market Overview

Greek real estate market remains in recovery mode

After a prolonged 10-year crisis, the Greek real estate market seems to have returned to its 2010 levels, at least in terms of property prices in major cities, buoyed by robust macro, a thriving tourism sector, and an uptick in investment, mainly underpinned by EU funds. That said, from a volume perspective, construction activity remains well below peak levels, despite the significant growth in recent years.

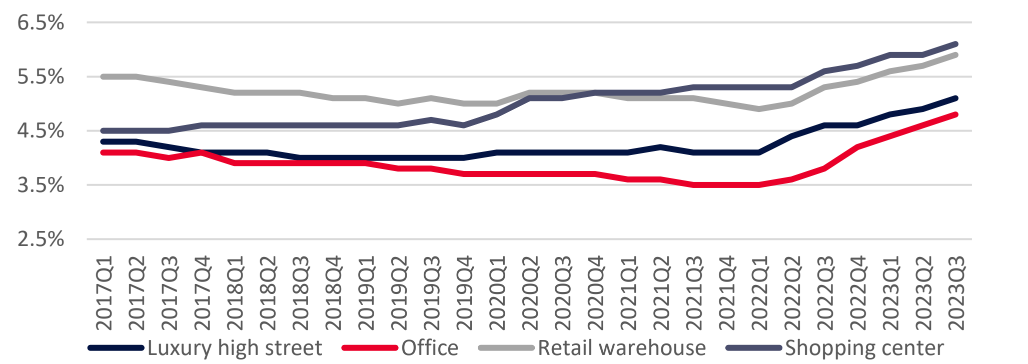
Building permits index evolution in Europe, by country (in € m)



Source: Eurobank Equities Research, Eurostat

From a pricing perspective, since 2022 the tighter monetary policy settings have pushed prime retail yields in Europe upwards, especially for the office sector, which had seen yields touch record lows.

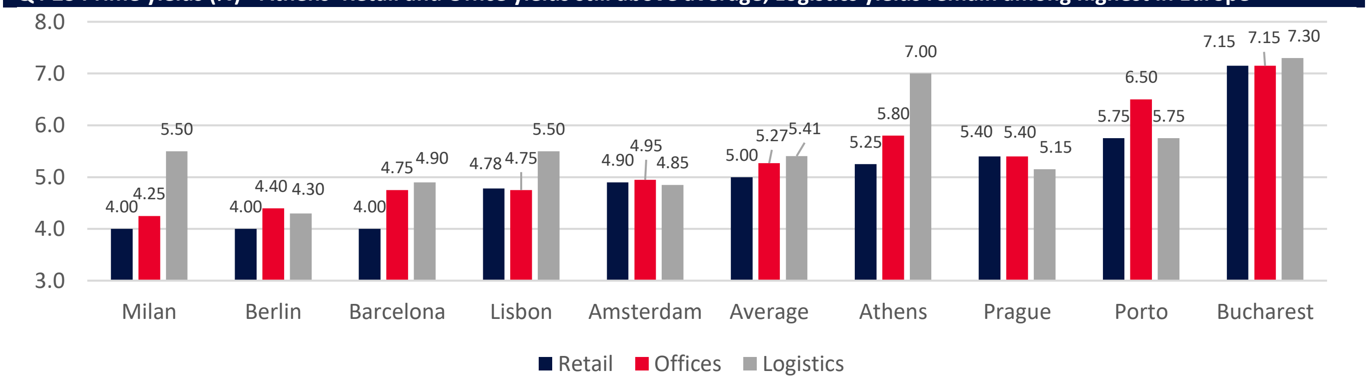
European prime average yields



Source: Eurobank Equities Research, Elstat, Bank of Greece, Savills

That said, even in Athens, retail and office yields are still above the European average, by some 25bps and 50bps respectively. Furthermore, the country's yield gap in the logistics sector remains greater than 150bps, indicating further scope for upward repricing in the coming years.

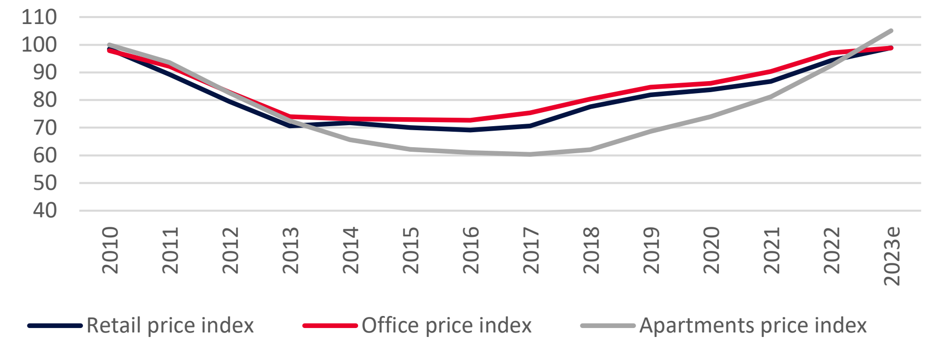
Q4'23 Prime yields (%) - Athens' Retail and Office yields still above average; Logistics yields remain among highest in Europe



Source: Eurobank Equities Research, CW.

As a result, prices in Athens have retraced to their 2010 levels, with apartments enjoying the most pronounced increase in the last few years, effectively recovering from a major slump at the peak of the debt crisis in 2015.

Real estate prices index in Athens - Greece



Source: Eurobank Equities Research, Elstat, Bank of Greece, Savills

Moreover, the latest market trends in real estate market indicate that ESG considerations are increasingly viewed not merely as compliance obligations but as value-adding investments. This shift reflects a broader movement towards sustainability and quality in property investment and development, signaling changing priorities in the real estate sector.

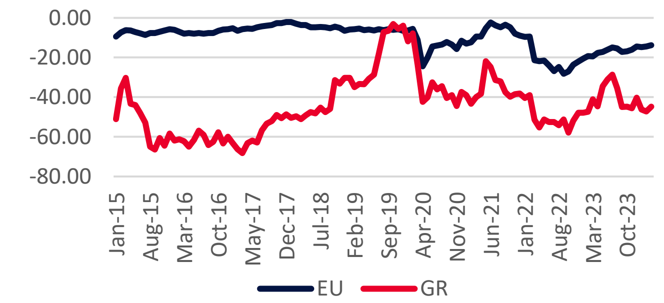
In what follows, we look into more detail in the trends across the real estate sector's main segments.

A. Retail

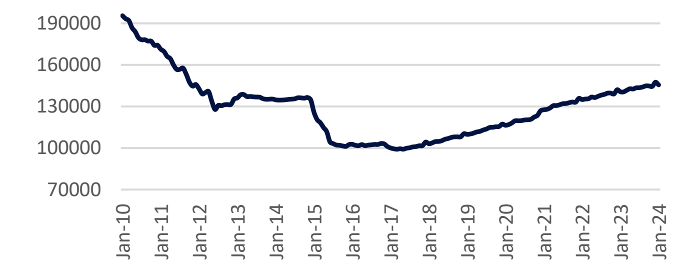
Consumer strength fuels demand in a market of limited high-quality supply

As far as retail/commercial real estate is concerned, the supply vs demand balance is quite healthy as household cash flows support retailer performance (and occupancies) while quality assets are relatively scarce.

Consumer confidence



Retail Deposits back to 2011 levels (€m) Sales and Volume retail index in Greece

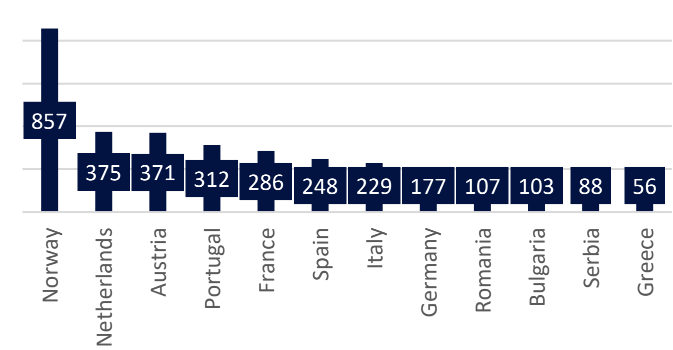


Source: Eurobank Equities Research, European Commission, Elstat

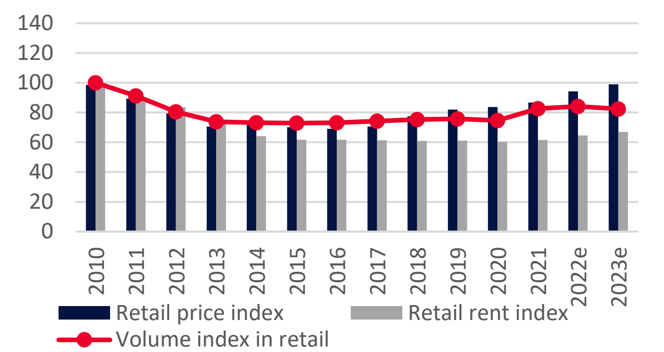
Low density and strategic developments bolster Shopping Centers

From a structural perspective, shopping centers are much better placed than other markets given the low density in Greece, with retail parks still in nascent phase. As can be seen, domestic prime retail yields have been on a downward trajectory since 2018, reflecting the high base, country de-risking and relatively muted development activity, with Ellinikon effectively being the only large-sized project in the pipeline (including 3 shopping centers), with prime high-street assets still yielding near 6% and big-box retail assets/shopping malls >7%. Finally, retail yields in Athens are still higher by >25bps than EU average and >50bps vs Lisbon, a city similar to Athens with regard to the real estate outlook.

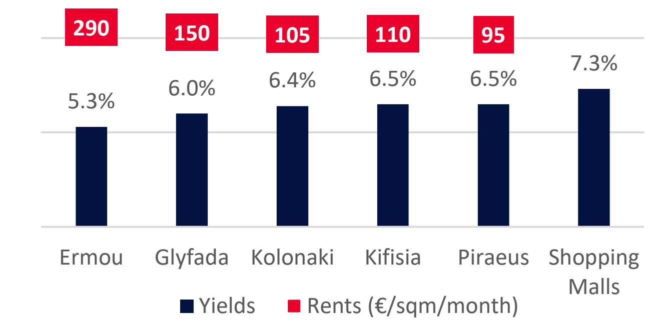
Shopping malls sqm/1,000 population (2018)



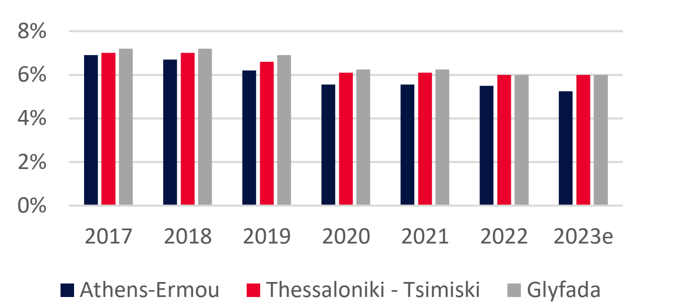
Retail price, rent and volume index



Shopping Malls vs High Street Retail yields and rents 2023



Prime yields for retail real estate



Source: Eurobank Equities Research, Cushman & Wakefield, Bank of Greece, Danos, Lamda

B. Office

Offices had a significant rebound in Greece after the Covid period, witnessing increased demand for high-quality properties, with this trend seemingly unaffected by remote work dynamics, leading to a tight market for premium spaces. This tightness supports office rents and asset values, with room for further yield compression as domestic yields remain notably higher than those in other European markets. The preference for quality and sustainability is evident, with Grade A LEED-certified spaces dominating recent transactions. According to Cushman & Wakefield, nearly 230,000 sqm under construction is expected to be completed within the next two years, with an additional 232,000 sqm in the pipeline. This supply, around 45% of which involves the reconstruction of existing buildings, indicates a significant supply increase likely to affect pricing of older assets, but yields of new supply are likely to be tight

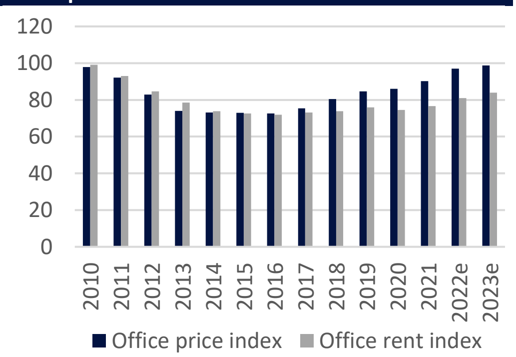
Yields in Greece

6%-6.5%	Grade A Prime Locations
7%-7.5%	Grade B Prime Locations
8%-8.5%	Grade B Secondary Locations

Market trends Grade A offices Athens & Piraeus

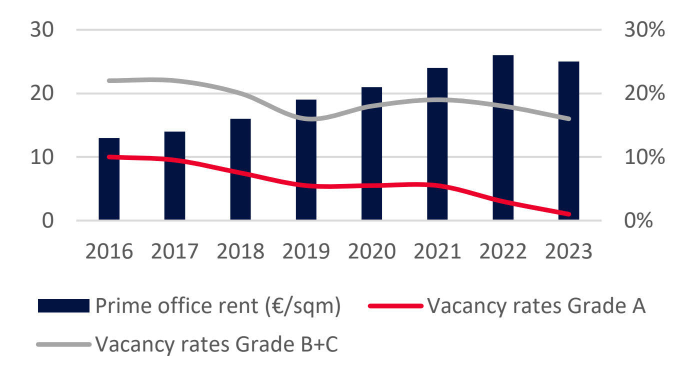
Rentals	▲
Yields	▬
Vacancy rates	▼
Absorption	▲

Office price & rent index in Athens

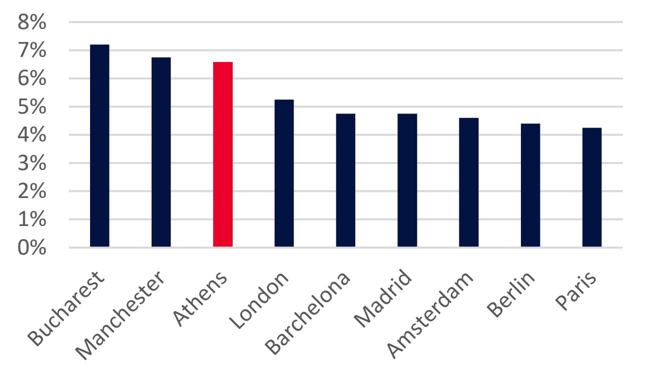


Source: Eurobank Equities Research, Danos, Bank of Greece, Cushman & Wakefield, Savills.

Prime office rent and Vacancy rates evolution H12023



Main EU markets average office yields in Q42023 (%)



Source: Eurobank Equities Research, Danos, Bank of Greece, Cushman & Wakefield, Savills.

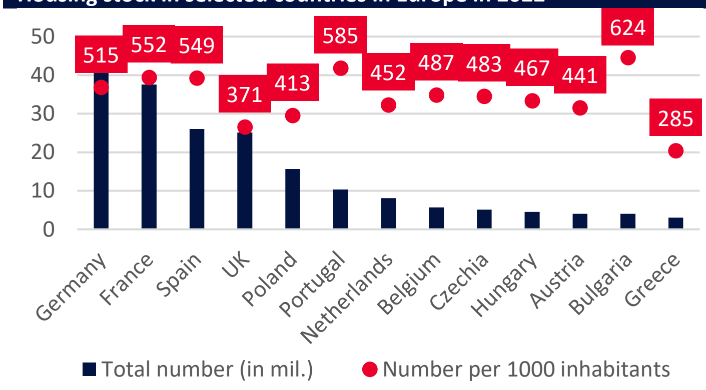
C. Residential

Regarding the residential sector, property prices have been increasing steadily in the last 5 years bouncing >35% over 2018-22 as the Greek market emerged from the multi-year economic crisis. The retracement in property values was accompanied by a surge in market activity driven by a combination of factors, namely:

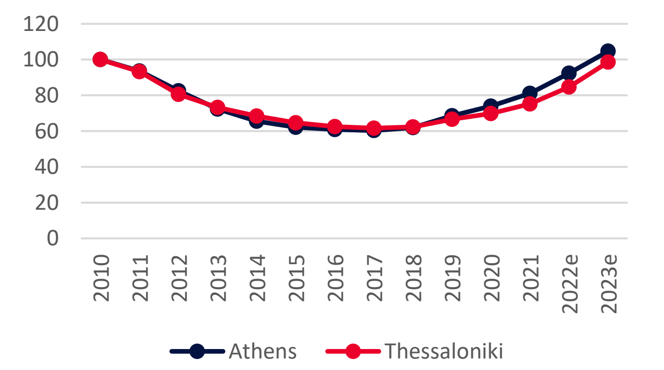
- Domestic pent-up demand further exacerbated by a shortage of housing supply given the limited development activity in the previous decade, with Greece having one of the lowest numbers of dwellings per capita among European countries;
- Increasing tourism arrivals which fueled investments in properties for short-term rentals;
- Rising availability of mortgage lending, facilitating the entrance of home buyers into the market;
- The boost from foreign buyers, due to the higher affordability of Greek properties compared to other European markets and the appeal of Golden Visas;
- Govt interventions, including the suspension of the VAT on sale prices.

It is worth noting that despite the multi-year bounce, residential prices remain about 15% below the previous peak of 2008. Looking ahead, elevated borrowing costs are likely to weigh on demand, particularly from domestic households, thereby denting the rate of price increases.

Housing stock in selected countries in Europe in 2022



Index of apartments prices

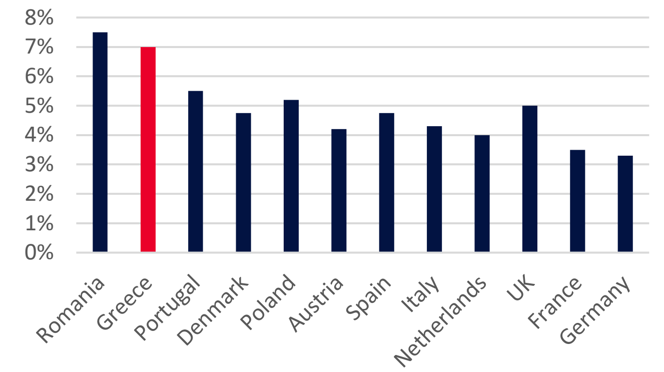


Source: Eurobank Equities Research, Statista, Deloitte, Bank of Greece.

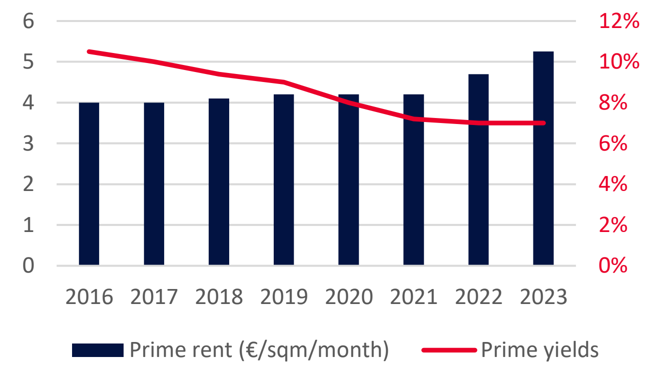
D. Logistics

In the logistics space, the sector is also structurally supported domestically due to the lack of modern assets, with demand continuing to outstrip the supply of warehouse space. Sound demand for modern urban space has been recorded from smaller to medium-sized occupier groups leading to the upgrading of large parts of the current Industrial and logistics property stock in urban locations. This is manifested by the retreating yields (and rising rents), which, for prime assets, are still near 7.0% (rents at €5.25/sqm), far higher than an average of 5.5% evident in Europe, although lower than some Balkan cities (e.g. Bucharest). Given the supply shortage, major players have been seeking to secure land to develop new warehousing facilities, signaling strong demand and an ongoing transformation in the landscape of logistics real estate, characterized by significant investment and enhancement of the existing property stock.

Greece vs Europe logistics yields 2022



Logistics yields & rents evolution in Athens

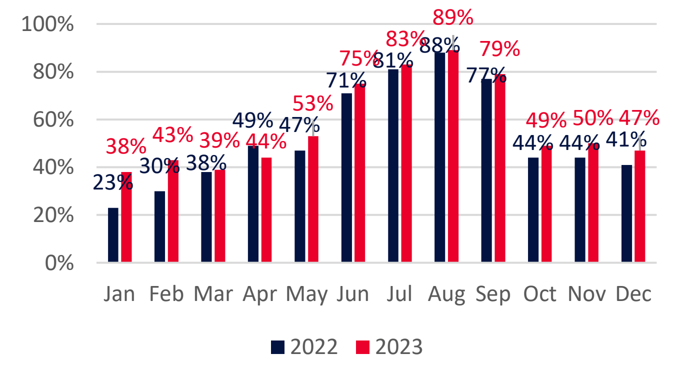


Source: Eurobank Equities Research, Savills, Cushman & Wakefield.

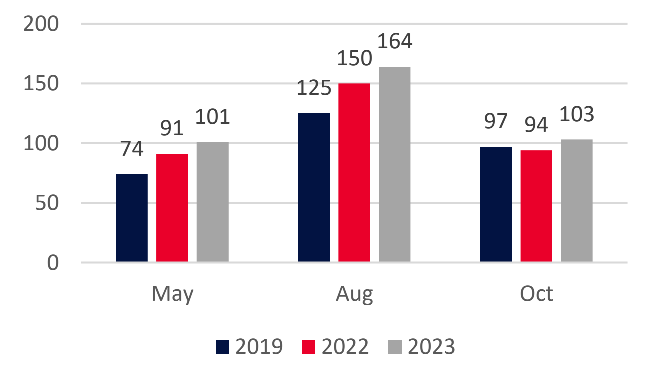
E. Hotels

The hospitality sector in Greece is of vital importance for the economy and accelerating tourism flows, especially in Athens and the Greek islands, has led to the development of high-end hotels, resorts, and urban & residential projects in recent years. In 2023, Greece's tourism sector experienced significant growth, with international arrivals increasing by 17.6% yoy, surpassing pre-Covid levels. The hospitality industry's turnover reached €10.8bn, +10.7% yoy. The major expansion plan of the Athens International Airport, which is hoping to increase its capacity by more than 50% by 2034e (c14m more passengers annually), coupled with the new airport in Crete (to be completed in the next 2-3 years) bode well for further tourist growth (c2-3% annually in terms of traffic). From a pricing perspective, average daily rates (ADRs) are on the rise, with plenty of scope for Greek destinations to close the gap vs other competitive countries. Adding to the abovementioned positive dynamic is the extension of the tourism season, which helps limit seasonality, boosts occupancies in the winter season and adds to the value of hotel assets.

Average hotel occupancy per month*



Average Price of a Double Room



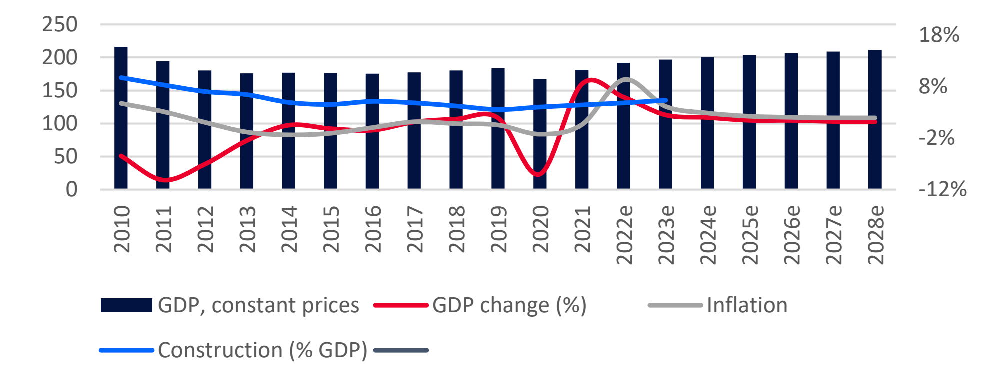
Source: Eurobank Equities Research, ITEP.
Note: Occupancy for the months of January to April and November to December pertains to year-round hotels.

F. Market drivers

Economic conditions are a crucial determinant of the real estate market's trajectory. During periods of economic expansion, rising employment levels and incomes boost demand for properties, consequently driving up prices and rental rates. Conversely, economic recessions tend to erode consumer confidence and spending power, leading to diminished demand, falling property prices, and higher vacancy rates. Interest rates and monetary policies also play a pivotal role, with real estate often being perceived as a reliable hedge against inflation.

Examining the country's GDP over the past decade reveals a consistent upward trend, signaling a broad-based economic recovery. The construction sector, as a percentage of GDP, has shown varying levels of investment. Following a significant downturn post-2010, construction activity has entered on an upward trajectory. Part of this increase is attributable to the Recovery and Resilience Facility (RRF) program, underscoring the need for enhanced infrastructure, bolstered by the overall economic recovery. Additionally, there is a notable uptick in foreign investment interest, potentially spurred by initiatives like the Golden Visa program.

Greece GDP, Inflation



Source: Eurobank Equities Research, IMF, Eurostat.

In 2022, Greece recorded the lowest housing investment ratio to GDP among EU-27 nations, with similarly modest performance across other construction sectors. Notably, newer and smaller EU member states frequently lead in such investments. Historically, investments in the construction sector bolstered Greece's GDP growth until 2007, but the period from 2008 to 2015 saw these investments contributing to a significant economic downturn. From then until 2020, their impact remained minimal. However, a noticeable uptick in construction investments during 2021 and 2022 has positively influenced Greece's GDP by approximately one percentage point, signaling a revival in the sector's contribution to economic growth.

Investments in residences and other constructions as % of GDP

Source: Eurobank Equities Research, Eurostat, IOBE.

Demand drivers

Besides the general macroeconomic environment, factors underpinning the demand in real estate market are:

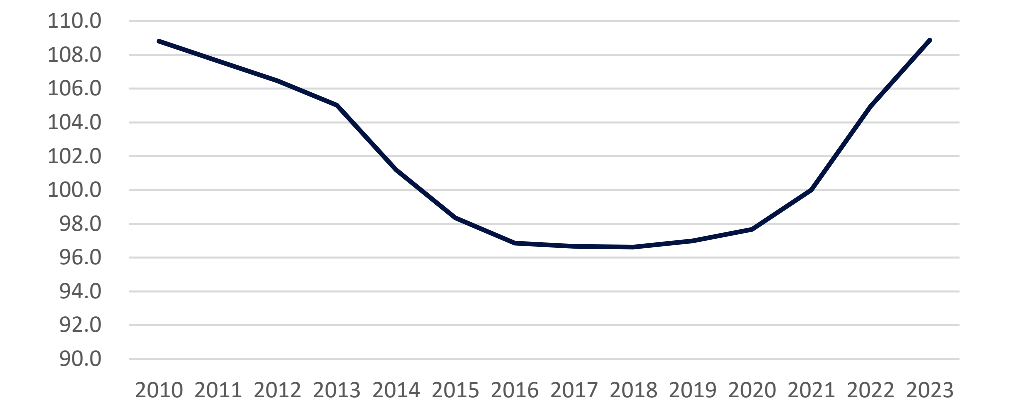
- **Demographics:** Shifts in demographics of a nation such as population, age, gender, income and migration can significantly impact demand patterns for various types of properties and constitute significant factors for their pricing.
- **Interest rates**: Interest rates affect borrowing costs and property demand. Lower rates make mortgages affordable, boosting demand and home purchases. Higher rates lead to costlier borrowing, reducing demand and potentially cooling property values. Central banks use interest rate adjustments to steer the real estate economy, impacting home prices, construction activity, and investment returns.
- **Government policies and legislation:** Legislative changes have a considerable impact on the real estate sector, affecting property ownership, development, taxes, and investments. Zoning law modifications can alter land values, while tax changes can shift the cost of ownership. New environmental mandates may raise development expenses to meet sustainability standards. Laws affecting foreign property investment can either invite or discourage international investors. Thus, legislation is key in shaping real estate demand, supply, and values, ultimately influencing market directions and investment decisions.

Sector's challenges

The real estate industry is facing several challenges that necessitate strategic agility and careful consideration of the following key issues:

- **Construction costs:** Construction costs are a significant challenge in the real estate industry, driven by fluctuating material prices, labor shortages, and the costs associated with regulatory compliance. Key construction materials like steel, lumber, and concrete have seen price increases in the last 2-3 years, escalating overall project budgets and complicating expense management. The shortage of skilled labor further intensifies these challenges, as it leads to higher wages and delayed project timelines, thereby inflating total costs.

Greek Construction labor cost index (base year 2021)



Source: Eurobank Equities Research, Elstat.

- **Funding:** Real estate companies often face funding challenges that can stall projects and limit growth. These challenges are due to tight lending conditions, economic uncertainty affecting investment, and intense competition for available capital. To navigate these hurdles, companies may turn to alternative financing methods such as private equity, government grants etc.
- **Technology:** The adoption of technology in real estate necessitates substantial investment and continuous adaptation in response to fast-evolving digital trends. Real estate firms must not only finance these advanced technologies but also cultivate the skills required to effectively implement and manage them, such as those involved in developing smart buildings. The rapid pace of technological advancements poses the risk of investments becoming quickly obsolete, thereby requiring constant updates and ongoing education to remain competitive and market-relevant.
- **Market volatility:** Market volatility presents a significant challenge in real estate, impacting investment decisions, property values, and project viability. Driven by economic shifts, policy changes, and global events, such volatility leads to unpredictable demand and fluctuating asset valuations. Real estate stakeholders must possess a deep understanding of economic trends and employ versatile strategies to mitigate risks associated with market unpredictability. This approach is essential to ensure stability and growth amidst fluctuating conditions, allowing firms to navigate the complexities of a dynamic market landscape effectively.
- **Greater focus on ESG:** Integrating sustainability into the real estate sector presents financial challenges, ranging from the high initial costs of green technologies to uncertainties regarding returns on these investments. Adopting sustainable practices, such as installing energy-efficient systems and using environmentally friendly building materials, often entails significant upfront expenditure. Despite these economic obstacles, the push towards sustainability is driven by the potential for reduced long-term operating costs, increased property values, and alignment with the growing consumer demand for eco-friendly living and working spaces. This commitment to sustainability not only enhances a company's market appeal but also positions it favorably in a rapidly evolving regulatory environment that increasingly prioritizes environmental responsibility.

Dimand Financial Statements

EURmn					
Group P&L	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Sales	**10.6**	**9.4**	**10.5**	**11.8**	**12.1**
Net Opex	-14.3	-11.0	-20.7	-14.9	4.9
Gains/(losses) on inv. property	10.8	20.9	72.7	44.5	57.2
EBITDA	**7.1**	**19.3**	**62.5**	**41.3**	**74.2**
% change	*-29.8%*	*171.1%*	*224.4%*	*-33.9%*	*79.8%*
EBIT	**6.8**	**18.9**	**62.2**	**41.0**	**73.9**
Financial income (expense)	-12.0	-1.9	-8.1	-8.2	-9.7
Exceptionals/other income	0.0	0.0	0.0	0.0	0.0
PBT - reported	**-5.1**	**17.0**	**54.0**	**32.8**	**64.2**
Income tax	-2.7	-3.8	0.0	0.0	0.0
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Net Profit - reported	**-7.8**	**13.2**	**54.0**	**32.8**	**64.2**
EPS (EUR)	**-0.51**	**0.71**	**2.89**	**1.76**	**3.44**
DPS (EUR)	**0.00**	**0.00**	**0.58**	**0.61**	**1.20**
Group Cash Flow Statement	**2022**	**2023**	**2024e**	**2025e**	**2026e**
EBITDA	7.1	19.3	62.5	41.3	74.2
Change in Working Capital	-2.6	-4.0	12.8	-6.1	-1.3
Net Interest	-12.3	-1.8	-8.1	-8.2	-9.7
Tax	0.0	0.0	0.0	0.0	0.0
Other	-10.6	-21.7	-77.8	-51.8	-81.0
Operating Cash Flow	**-18.4**	**-8.2**	**-10.7**	**-24.8**	**-17.7**
Capex	-66.5	-46.4	-125.7	-93.8	-93.8
Other investing	-3.6	25.6	46.6	10.4	246.6
Net Investing Cash Flow	**-70.2**	**-20.8**	**-79.0**	**-83.4**	**152.9**
Dividends	0.0	0.0	0.0	-10.8	-11.5
Other (incl. capital repayment of leases)	94.0	-3.2	69.5	0.0	170.7
Net Debt (cash)	**33.5**	**65.8**	**86.0**	**204.9**	**-89.4**
Free Cash Flow (adj.)	**-88.8**	**-29.5**	**-89.7**	**-108.1**	**135.1**
Group Balance Sheet	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Tangible Assets	97.7	118.3	213.2	346.4	138.3
Intangible Assets	0.0	0.0	0.0	0.0	0.0
Other Long-term assets	40.4	54.5	67.0	68.6	33.9
Non-current Assets	**138.1**	**172.8**	**280.2**	**415.1**	**172.2**
Inventories	0.0	50.4	7.7	7.7	7.7
Trade Receivables	34.3	19.5	12.6	12.6	12.6
Other current assets	0.0	3.9	0.0	0.0	0.0
Cash & Equivalents	10.0	12.4	31.7	12.4	169.9
Current assets	**44.3**	**86.2**	**52.0**	**32.7**	**190.3**
Total Assets	**182.4**	**259.0**	**332.2**	**447.8**	**362.4**
Shareholder funds	122.4	133.6	189.7	208.9	261.6
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Total Equity	**122.4**	**133.6**	**189.7**	**208.9**	**261.6**
Long-term debt	20.0	37.6	109.6	176.4	72.5
Other long-term liabilities	3.9	8.4	8.4	8.4	8.4
Long Term Liabilities	**23.9**	**45.9**	**118.0**	**184.7**	**80.8**
Short-term debt	25.8	43.9	11.4	44.3	11.4
Trade Payables	10.3	35.6	13.2	9.9	8.7
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**36.1**	**79.5**	**24.6**	**54.2**	**20.0**
Equity & Liabilities	**182.4**	**259.0**	**332.2**	**447.8**	**362.4**
Key Financial Ratios	**2022**	**2023**	**2024e**	**2025e**	**2026e**
P/E	NM	14.9x	3.0x	4.9x	2.5x
P/NAV	2.2x	1.4x	0.8x	0.7x	0.6x
EV/EBITDA	43.9x	13.7x	3.9x	8.8x	1.0x
EBIT/Interest expense	0.6x	9.3x	7.4x	5.0x	6.6x
Net Debt (cash)/EBITDA	4.7x	3.4x	1.4x	5.0x	-1.2x
Dividend Yield	0.0%	0.0%	6.8%	7.2%	14.0%
ROE	-6.4%	13.3%	33.4%	16.5%	27.3%
Free Cash Flow yield	-31.9%	-14.9%	-56.0%	-67.5%	84.4%
Payout Ratio	0.0%	0.0%	20.0%	35.0%	35.0%

Source: Eurobank Equities Research

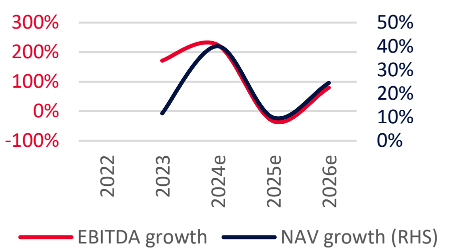
Company description

Dimand is one of Greece's top developers managing a total of 20 projects encompassing varied-use assets of 539K sqm and GDV of >€1bn. It has accumulated over 18 years of experience, expertise and brand equity in its field, engaging mostly in asset monetization and capital recycling via the selling of the properties it develops.

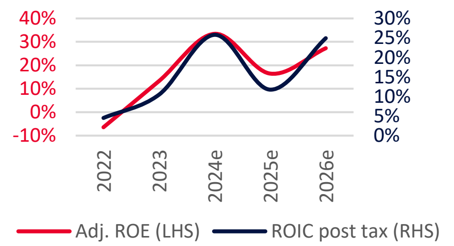
Risks and Sensitivities

- **Asset value impairments or lower future selling prices:** A potential decline in market values of assets would negatively impact Dimand's financial performance.
- **Slow pipeline growth and/or asset replenishment:** The potential difficulty in identifying and securing new projects with attractive returns would hinder future growth prospects. Additionally, delays in divesting from current investments can tie up capital, limiting Dimand's ability to reinvest in new projects.
- **Land cost appreciation:** inflationary pressures for various raw materials and/or land cost translate into higher costs for property development, thus squeezing related project returns across the value chain.
- **Company structure:** The complexity in the company structure, with Dimand having stakes in various SPVs, makes it more difficult for investors to gauge the overall risk profile (e.g. cash flows) and assess potential vulnerabilities.
- **Increase in financing costs:** Tighter monetary settings increase project costs, reduce investment feasibility and strain cash flows, thus weighing on project returns.
- **Sensitivity:** We estimate that a 25bps change in exit yields results in a c€39m impact on current projects' valuation (c22% effect) while flexing development costs by 10% has a c10% effect on current projects' valuation.

Growth



Profitability and returns



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This report has been written by analysts Christiana Armpounioti and Stamatios Draziotis (CFA).

Analyst Compensation:

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Planned Frequency of Updates:

Eurobank Equities Investment Firm S.A. provides updates on Dimand based on the terms of the agreement between Eurobank Equities Investment Firm S.A. and EBRD and at least but not limited to bi-annually after the publication of the financial statements of Dimand.

12-month Rating History of Dimand

Date	Rating	Stock price	Target price
16/07/2024	Buy	€ 8.57	€ 11.00

Eurobank Equities Investment Firm S.A. Rating System:

Stock Ratings	Coverage Universe		Investment Banking Clients		Other Material Investment Services Clients (MISC) - as of 15th Jul 2024	
	Count	Total	Count	Total	Count	Total
Buy	25	69%	3	12%	10	42%
Hold	3	8%	0	0%	1	33%
Sell	0	0%	0	0%	0	0%
Restricted	1	3%	0	0%	1	100%
Under Review	2	6%	1	50%	2	100%
Not Rated	5	14%	2	40%	2	40%
Total	**36**	**100%**				

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

Analyst Stock Ratings:

Buy:	Based on a current 12-month view of total shareholder return (percentage change in share price to projected target price plus projected dividend yield), we recommend that investors buy the stock.
Hold:	We adopt a neutral view on the stock 12-months out and, on this time horizon, do not recommend either Buy or Sell.
Sell:	Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock.
Restricted:	Under Eurobank Group policy and / or regulations which do not allow ratings
Under Review:	Our estimates, target price and recommendation are currently under review
Not Rated:	Refers to Sponsored Research reports