

Planet Smart City and Palladium USA sell a project smart affordable in Texas with an IRR exceeding 30%

Turin, 17 July 2024 – Planet Smart City and Palladium USA (a subsidiary of the Palladium Italy operating in the United States since 1992) have completed the sale of a 324-unit residential complex located in Little Elm (Dallas, Texas) to a US institutional investor.

The complex, developed by the two companies in equal partnership, is the first smart multifamily housing project in the United States developed according to the Planet Smart City model. This model integrates innovative solutions in four areas: environment, planning and architecture, technology systems and social inclusion.

The model incorporates approximately thirty smart solutions, including an innovation hub, co-working spaces, a gym, a community kitchen, an object library, bike sharing and repair facilities, energy-saving solutions (such as smart lighting and optimised irrigation systems), smart lockers, and smart locks accessible through Planet Smart City's proprietary digital platform.

Built over a 28-month period (from 2021 to 2023), the project was developed on a 46,000 square metre site with a 26,000 square metre residential area. This unique offering was well received by the market: within three months of completion, over 90% of the units were let. Six months later, the asset was sold to an institutional investor at an internal rate of return (IRR) in excess of 30%.

The success of this operation and the opportunities presented by the Texas market, which is expected to grow due to positive demographic trends, are leading Planet Smart City and Palladium USA to consider additional projects, possibly involving third parties.

Little Elm is one of eleven major smart housing projects that Planet Smart City has completed or is nearing completion. In Brazil, there are six projects in various regions, comprising approximately 5,000 homes, and in India, three projects in Pune, Maharashtra, comprising approximately 4,000 homes in partnership with Kolte Patil Developers, one of the country's leading real estate developers.

Planet Smart City's smart housing development model has also been adopted by leading property developers in Italy. One of these is Quartiere Giardino, a Palladium-owned neighborhood in Cesano Boscone, Milan, Italy, that has been revitalized by integrating smart architectural, digital, environmental, and social solutions created by Planet. Planet Smart City is advising on 13 projects for the construction of new neighbourhoods (known as greenfield development) or the redevelopment of urban areas or neighbourhoods through innovative solutions (known as brownfield development).

Gianni Savio, CEO of Planet Smart City, said: "The Little Elm project confirms the validity of our business model, which we implement in areas with high housing deficits. The attention from institutional investors and the positive market reception show that the potential of the

smart housing segment is very high and highly appreciated in geographically diverse areas".

Thomas E. Huth, President and CEO of Palladium USA, Inc., said: "Working with Planet Smart City on the Little Elm development brought in new creativity in applying their smart solutions through their proprietary digital platform. These new smart solution elements were well received by our residents. We look forward to continuing our multifamily development activities and relationship with Planet Smart City well into the future".

PLANET SMART CITY

Founded in 2015 by real estate entrepreneurs Giovanni Savio and Susanna Marchionni and chaired by physicist and entrepreneur Stefano Buono, Planet Smart City is a proptech company at the forefront of smart, affordable housing. It designs and builds neighbourhoods in countries with high housing deficits and works with property developers worldwide to improve people's quality of life.

Planet Smart City's mission is to design and build smart neighbourhoods that house smart, inclusive and sustainable communities, integrating innovative solutions from an economic, environmental and social perspective. The research and development of innovations is entrusted to Planet Idea, a business unit of Planet Smart City, which also integrates the solutions into the projects. Planet Idea is a multidisciplinary Competence Center based in Turin that, among other things, develops the Planet App, a digital service platform that also facilitates communication and relationships between residents in Planet Smart City neighbourhoods.

The Planet Smart City model has been successfully applied in Brazil, where six projects are under development. Activities in India began in 2020. Planet Smart City is working with leading property developers in Italy on numerous smart, affordable housing projects. Since its inception in 2015, Planet Smart City has raised more than €190 million from more than 400 institutional and private investors. It closed 2022 with \$106 million in revenues while employing more than 1,700 people worldwide.

With headquarters in London, the company has direct offices in four countries (UK, Italy, India, and Brazil) and is currently developing 11 projects. Planet Smart City's medium-term vision is to become the global smart, affordable housing leader.

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