

**PRESS RELEASE**

**EPH European Property Holdings PLC announces First Quarter 2022 Financial Update**

*31 May 2022, Nicosia, Cyprus / Ad hoc announcement pursuant to Art. 53 LR*

- Starting from 1 January 2022, EPH European Property Holdings PLC (the “Company” or “EPH”) and its subsidiaries (together the “Group”) has changed the presentation currency of its consolidated financial reporting from US\$ to EUR. The change reflects significant expansion of the Group’s property portfolio to Europe during the recent years with the majority of the properties currently located in Western Europe, as well as subsequent successful re-domiciliation of the Company to Cyprus. With the conversion of the denomination of bonds from US\$ to EUR in April 2022, the Group’s debt became mostly EUR-denominated. Furthermore, the Board of Directors has initiated the change of the denomination of the Company’s share capital into EUR – subject to the approval by the shareholders at the annual general meeting on 9th June 2022. In the given circumstances, EUR as presentation currency will provide the users with the better reflection of the actual performance and financial position of the Group.
- In Q1 2022, except for the issue of the new loan notes (see below), there were no significant changes in the Company’s financial position and/or structure of its balance sheet in comparison to the published annual report, given that fair value of investment properties was not revaluated as at 31 March 2022.
- In Q1 2022, the Company demonstrated stable performance. The rental properties continue generating sufficient cash to cover the Company’s operating expenses and service the debt. Net rental income (NRI) increased from EUR 12.88 mln in 3 months of 2021 to EUR 14.17 mln in 3 months of 2022. NOI of European properties increased by EUR 1.79 mln in comparison to prior period, of which EUR 1.26 mln relate to QBC 1,2&7 and is in principle explained by the end of the rent-free periods that the tenants were granted at the start of their leases in 2021. Looking at the Russian properties together, the performance remained almost unchanged as compared with the same period of 2021.
- During Q1 2022, a few more apartments in Arbat mixed-use properties have been sold. Profit on sale amounted to EUR 0.74 mln (Q1 2021: EUR 1.36 mln).
- In March 2022, EPH issued to one of its shareholder the subordinated EUR-denominated loan notes for EUR 30 mln, with the maturity 3 years, 3.5% p.a. In April 2022, additional subordinated EUR-denominated loan notes for EUR 73 mln were issued to another Company’s shareholder.
- The Company continues refurbishment of LASS 1 property (office building) in Austria acquired in 2020. Additional investments into construction for 3 months of 2022 amounted to EUR 8.42 mln, including borrowing costs of EUR 0.8 mln. The reconstruction measures are all proceeding according to plan and construction is expected to be finished in mid-2022.
- Volatility of RUB, currency of the Group’s operations in Russia, and US\$, currency of the bonds issued by the Company (prior to their conversion into EUR), influences the Company’s operating results and net asset value in presentation currency (EUR).

*EPH European Property Holdings PLC is an investment company listed on SIX Swiss Exchange. Additional information on EPH European Property Holdings PLC is available by contacting Anna Bernhart Tel: +41 44 503 5400 or at [contact@europeanproperty-holdings.com](mailto:contact@europeanproperty-holdings.com).*