SEMI-ANNUAL REPORT 2023

CONTENT

DEAR SHAREHOLDERS

In the first half year 2023 and until the publishing date, EPH European Property Holdings PLC ("EPH") has focused on the re-alignment of its portfolio, its third-party debt and corporate structure. The first major milestone in 2023 was the sale of the Russian portfolio in April 2023. This decision represented a strategic step for our continued stable growth in Europe. Nevertheless, it had an impact on the financial results for the first half of 2023 which is visible in the results from discontinued operations. We had to reclassify the negative balance of the currency translation adjustment reserve ("CTA") accumulated on EPH`s operations in Russia and amounting to EUR 163 million from equity statement to profit or loss statement. However, this reclassification corresponds to a positive change in the CTA reserve balance and, therefore, had no impact on the equity.

Yet another significant step was the restructuring of our debt financing in September: On the one hand, we have agreed with bondholders holding approx. EUR 250 million of the Company's debt to prolong the term by another 5 years until September 2028 at an interest rate of 4.5% p.a. On the other hand, we have taken the decision to repay bank financing in the total amount of approx. EUR 150 million at the level of our subsidiaries in Austria while realizing positive swap values of approx. EUR 18.2 million. The above are strategic decisions to strengthen the stability of our business in Western Europe and the long-term performance of our portfolio.

From an operational point of view EPH has demonstrated stability in the first six months of 2023. Almost all properties in our portfolio continue to be fully let. Due to our active asset management, we were also able to achieve letting successes in our office property Work Life Center in Hamburg. Space that had become vacant was in its majority quickly re-let. We are convinced that also the remaining vacant space can be let at suitable terms in the near future and full occupancy of the building's more than 12,000 square metres will be reached again. Of course, the quality of the property and its outstanding location also plays a major role in the letting process. Another success by the local asset management team was finalization of the refurbishment project LASS 1 in Vienna and achieving 100% occupancy. The construction work on the building was completed in 2022 with only a slight delay and was handed over by the general contractor in January 2023.

Overall, EPH's real estate portfolio consists of nine core assets in prime locations in Vienna (Austria) and in four major markets in Germany (Berlin, Hamburg, Stuttgart and Dresden). The operating results on the European portfolio improved as expected. Net rental income increased from EUR 11.53 million to EUR 15.63 million. This is mainly due to the fact that the properties in Vienna, QBC 1, 2 and 7 started to generate full income after the end of the rent-free periods. In addition, the newly renovated LASS 1 property started to generate income and moderate rent indexation was applied to all properties in Vienna and Germany. Despite the positive operating performance, the economic development in Europe led to a downward adjustment of fair values of our properties in both countries and to a net loss from continuing operations. Overall and mainly due to the negative CTA balance of EUR 163 million and revaluation losses on the properties, we recorded a net loss of EUR 132.14 million in the profit or loss statement for the first half of 2023.

We are optimistic about the further development of our real estate portfolio and of our company and continue to see potential in our European target markets, particularly in the premium office and hotel sectors. Demand for modern space in these segments remains strong and these asset classes have proven stable despite the challenges in the current market environment. In addition, properties aligned with ESG objectives are increasingly important to both investors and occupiers, and thus to income growth and value stability. In our latest Annual Report, we integrated a Sustainability Report for the first time. In this half-year report, we have once again highlighted importance of ESG. The analysis of the current status at our real estate portfolio is essential for transparency and the setting of sustainability goals. Above all, it shows that our high-quality properties satisfy high standards, as confirmed by their numerous Green Building Certifications and low carbon footprints. We are convinced that the demand for modern, sustainable space will continue to increase in the future. And sustainability will continue to play an important role in value preservation. At the same time, supply on the market will be limited: because of rising construction and financing costs, projects are being postponed and even cancelled. This can in turn have a positive effect on the market value for existing projects and properties if the fundamentals are right. For us, active asset management and ESG will continue to be focal points of our business activities as a long-term oriented real estate investor. Both are closely interlinked. In the process, we continue to develop, in a first step, by improving the dataset and implementing annual re-evaluations of the corporate carbon footprint calculation, central data monitoring and the renewable energy potentials of our buildings.

In the future, the top priority will be continuing to maintain the sustainable value of our portfolio, long-term capital preservation and generating stable risk-adjusted revenues. We are very well positioned for this with the high-quality of each individual property based on location, tenants, and continuous upkeep as well as with professional asset management in cooperation with Valartis.

We would like to thank all of our shareholders for the trust they continue to place in our company, and our business partners for their exceptional collaboration.

Sincerely,
The Board of Directors
September 2023

MANAGEMENT REPORT

KEY PERFORMANCE INDICATORS

in EUR	30.06.2023	30.06.2022	30.06.2021
Continuing operations			
Net rental income	15,633,138	11,528,552	8,461,547
Management fees	– 817,894	– 709,907	– 678,506
Administrative expenses	– 1,717,486	– 1,121,894	– 1,072,566
Net other operating income	921,750	21,049	339,303
Operating Income	14,019,508	9,717,800	7,049,778
Finance costs	– 6,037,071	– 9,428,035	– 10,266,177
Current tax expense	– 203,951	– 59,053	– 50,120
Earnings from operational activity	7,778,486	230,712	– 3,266,519
Earnings from operational activity per share	0.54	0.02	– 0.23
Revaluation of investment properties	– 45,767,478	17,077,118	28,324,854
Deferred tax benefit/(expense)	5,327,149	– 4,028,683	– 6,785,874
Other extraordinary items	–	43,382	1,013,515
Total before foreign exchange movements	– 32,661,843	13,322,529	19,285,976
Net foreign exchange loss	– 831,826	– 3,518,076	– 8,712,602
Net (loss)/profit for the period before result of discontinued operations and (losses)/gains related to measurement of receivables and loans from them	– 33,493,669	9,804,453	10,573,374
Discontinued operations			
Net loss from discountinued operations (attributable to equity holders of the Company)	– 96,992,841	– 46,940,258	– 1,496,451
Release of impairment allowance for loans and receivables related to the assets sold	4,619,593	–	–
Fair value adjustment on financial instruments	– 6,273,690	–	–
Result of discontinued operations and (losses)/gains related to measurement of receivables and loans from them	– 98,646,938	– 46,940,258	– 1,496,451
Total net (loss)/profit for the period	– 132,140,607	– 37,135,805	9,076,923

		as of	
	30.06.2023	31.12.2022	31.12.2021
Number of investment properties in Europe	9	9	9
Fair value of investment properties in Europe	851,984,566	895,119,207	843,108,577
Total Assets (31.12.2022: excluding assets held for sale)	1,162,347,173	1,159,759,414	1,566,462,809
Borrowings	593,277,151	592,885,395	933,758,626
Loan-to-value	51%	51%	60%

*For a reconciliation of non-IFRS measures see “Supplemental Reconciliations and Definitions” in Note 22

EPH EUROPEAN PROPERTY HOLDINGS

CORE AND CORE PLUS COMMERCIAL REAL ESTATE PORTFOLIO

EPH holds a core/ core plus commercial real estate portfolio in excellent locations across Europe. The high quality of the properties, together with the professional asset management, form the base for stable values and income. The majority of our portfolio consists of prestigious office properties. In this way, we take advantage of the strong demand for modern spaces in premium locations. Over the past few years, we have greatly expanded our portfolio in Europe. It currently consists of nine core assets in outstanding locations in Germany's Top Cities and Vienna with high sustainablity standards. Seven out of eight office and hotel buildings already have certificates in DGNB Platin, DGNB Gold or LEED Gold.

GERMANY

OFFICE/HOTELS

- Stuttgart
- Hamburg
- Berlin
- Dresden

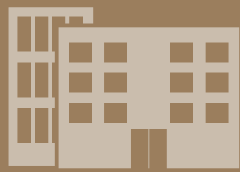
AUSTRIA

OFFICE

- Vienna

YEARS
investing in real estate

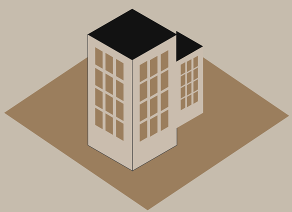
CORE ASSETS
in prime European markets



OFFICE & HOTEL
properties in investment focus

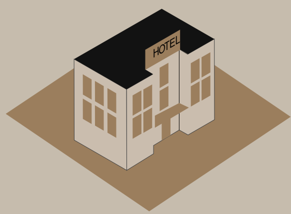
Our key portfolio growth milestones in prime European locations

01 2014



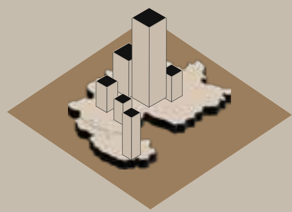
EPH focuses on investing in high-quality, income-producing office properties.

02 2020



EPH acquires its first hotel property

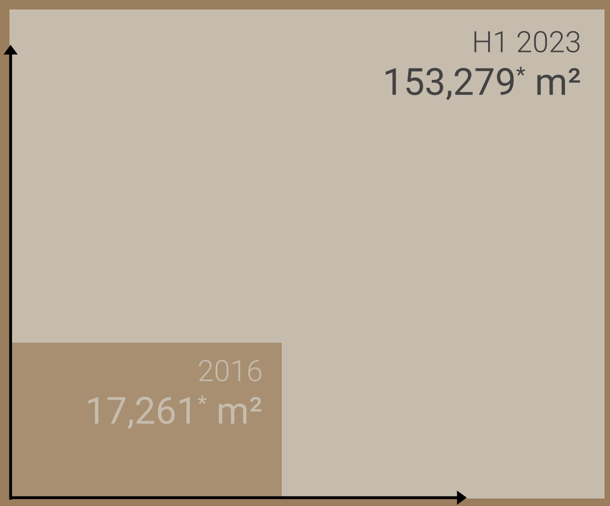
03 2023



EPH has grown significantly in Europe since 2016, expanding its portfolio to 9 properties in Austria and Germany with a gross floor area of more than 200,000 square metres.

Since 2016, the European portfolio has grown significantly.

Net leasable Area



*The parking garage QBC 7 is not included.

Net rental income reflects growing portfolio and successful asset management

LASS 1

COUNTRY / CITY

AUSTRIA / VIENNA

ASSET CLASS

OFFICE

BUILDING AREA

44,800

VACANCY RATE

0.0%

RENTABLE AREA

29,100

YEAR OF CONSTRUCTION / REFURBISHMENT

1993 / 2023

OWNERSHIP

100%

APPRAISED VALUE

EUR 143,520,000

QBC 1

COUNTRY / CITY	ASSET CLASS
AUSTRIA / VIENNA	OFFICE
BUILDING AREA	VACANCY RATE
10,300	0.0%
RENTABLE AREA	YEAR OF CONSTRUCTION
9,300	2020
OWNERSHIP	APPRAISED VALUE
100%	EUR 54,170,000

QBC 2

COUNTRY / CITY

AUSTRIA / VIENNA

ASSET CLASS

OFFICE

BUILDING AREA

30,600

VACANCY RATE

0.0%

RENTABLE AREA

30,000

YEAR OF CONSTRUCTION

2020

OWNERSHIP

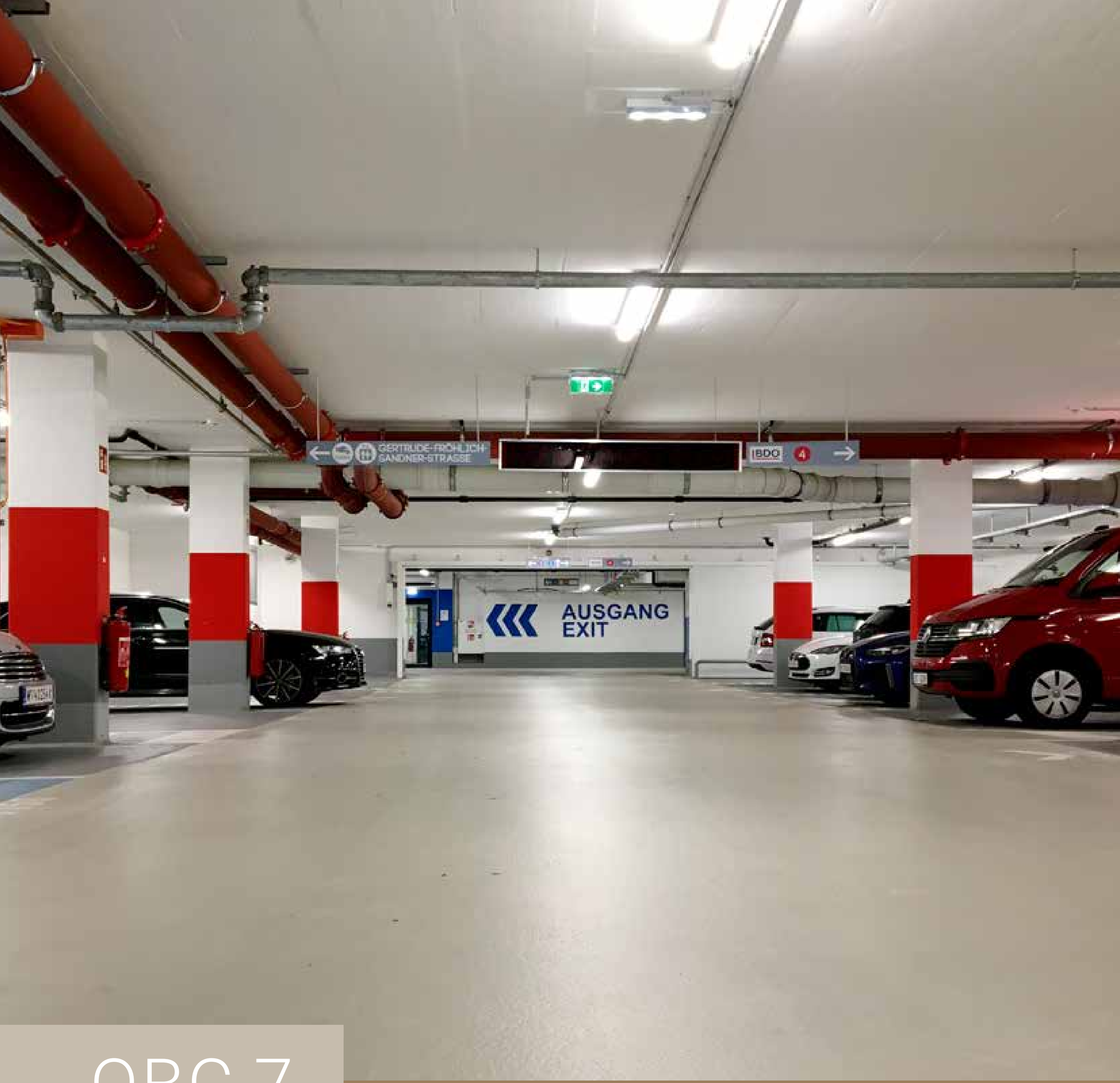
100%

APPRAISED VALUE

EUR 178,960,000

QBC 4

COUNTRY / CITY	ASSET CLASS
AUSTRIA / VIENNA	OFFICE
BUILDING AREA	VACANCY RATE
20,000	0.0%
RENTABLE AREA	YEAR OF CONSTRUCTION
17,400	2019
OWNERSHIP	APPRAISED VALUE
100%	EUR 109,500,000



QBC 7

COUNTRY / CITY

AUSTRIA / VIENNA

ASSET CLASS

PARKING

PARKING LOTS

680

YEAR OF CONSTRUCTION

2020

OWNERSHIP

100%

APPRAISED VALUE

EUR 20,500,000

SALZ 4

COUNTRY / CITY	ASSET CLASS
GERMANY / DRESDEN	HOTEL
BUILDING AREA	VACANCY RATE
15,600	0.0%
ROOMS	YEAR OF CONSTRUCTION
180	2010
OWNERSHIP	APPRAISED VALUE
100%	EUR 45,330,000

STRAL 3

COUNTRY / CITY GERMANY / BERLIN	ASSET CLASS HOTEL
BUILDING AREA 28,000	VACANCY RATE 0.0%
ROOMS 304	YEAR OF CONSTRUCTION 2010
OWNERSHIP 89.9%	APPRAISED VALUE EUR 89,000,000

WORK LIFE CENTER

COUNTRY / CITY	ASSET CLASS
GERMANY / HAMBURG	OFFICE & RETAIL
BUILDING AREA	VACANCY RATE
12,700	13.8%
RENTABLE AREA	YEAR OF CONSTRUCTION
12,700	2017
OWNERSHIP	APPRAISED VALUE
94%	EUR 85,400,000

CITY GATE

COUNTRY / CITY

GERMANY / STUTTGART

ASSET CLASS

OFFICE & RETAILS

BUILDING AREA

26,500

VACANCY RATE

0.0%

RENTABLE AREA

17,200

YEAR OF CONSTRUCTION

2016

OWNERSHIP

94%

APPRAISED VALUE

EUR 125,600,000

OUR COMMITMENT TO

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

EPH European Property Holdings (EPH) stands for premium quality real estate and long-term capital preservation, while embracing our responsibility to protect nature and enhance the well-being of people. Sustainability has always been a crucial aspect of us, but in 2022, we took a significant step forward. We examined sustainability across the entire EPH Group, with a particular focus on our property portfolio. As a result, we have developed a comprehensive sustainability strategy that integrates sustainability values into our core business of acquiring and owning high-quality real estate.

OUR MISSION STATEMENT

EPH's main objective is to invest in high quality commercial real estate with a long term view to provide stable income. This predominantly includes existing properties and development projects in Europe that provide capital appreciation and dividend income.

The high-quality properties also meet high sustainability standards, for example through green building certifications.

OUR ESG STRATEGY

ENVIRONMENT

Minimise greenhouse gas emissions: We will increase energy efficiency and prioritise the use of renewable energy in all our properties to reduce our carbon footprint.

Adapting to climate change: Recognising climate risks, we will implement measures to improve our resilience and adapt to the challenges posed by climate change.

SOCIAL

Tenant satisfaction and awareness: We will engage with our tenants to ensure their satisfaction and raise awareness of sustainable practices in our properties.

Employee wellbeing and equality: Our employees are essential to our success and we will prioritise their health, safety and equal treatment, promoting diversity and equal opportunities.

Comfortable building conditions: We will create healthy and comfortable spaces for building users to enhance their overall wellbeing.

GOVERNANCE

EU Taxonomy and climate risk assessment: EPH will conduct thorough assessments to evaluate our sustainability performance.

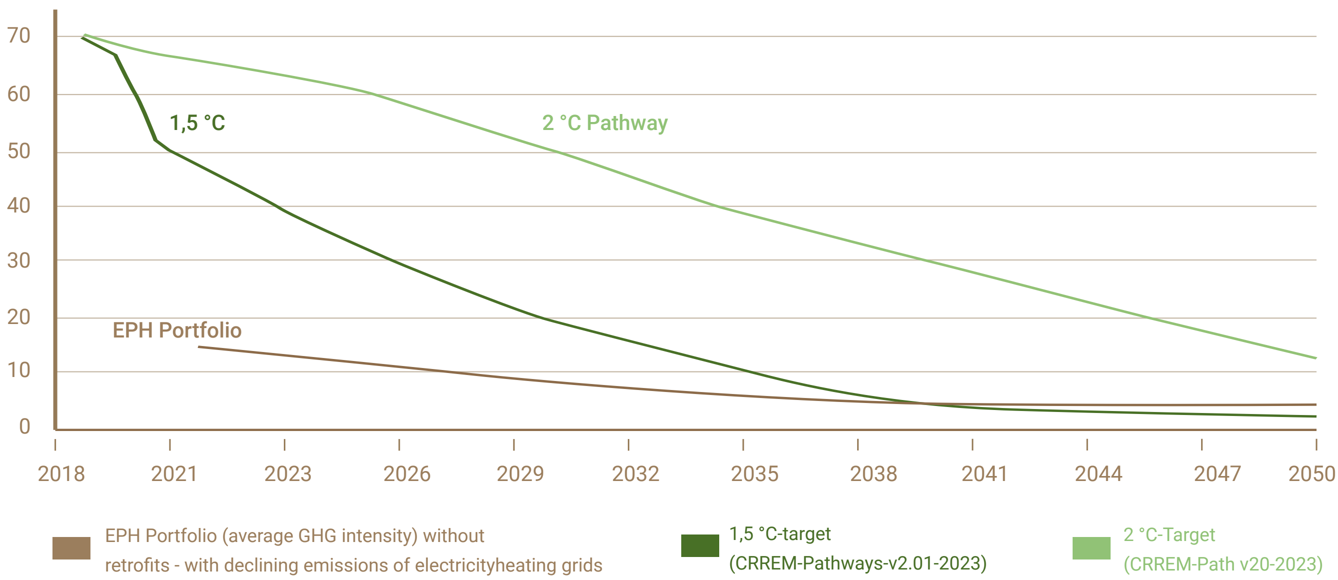
Green leases and certifications: EPH is engaged in adopting green leases and obtaining green building certifications for new acquisitions.

Transparent reporting: EPH will report on the progress of implementing annual re-evaluations of the corporate carbon footprint calculation, central data monitoring and the renewable energy potentials of its buildings.

PORTFOLIO ANALYSIS

As our sustainability review focused specifically on our property portfolio, the key findings are set out below. Further information can be found in our Annual Report 2022.

- Green building certifications: Seven out of the eight office and hotel buildings already have DGNB Platin, DGNB Gold or LEED Gold certificates. These certificates are an indicator of high quality and a certain level of sustainability in a property.
- Location based assessment: Based on consumption data and 1.5°C pathway, no stranded assets until 2037.
- Market based assessment: Green electricity contracts would extend stranding risk beyond 20 years.
- Due to the high performance of the portfolio and low CO2 emissions, no serious carbon risk was identified for the next 10 years. It is the target to improve data quality and reevaluate carbon risks regulary.



DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

VERA CHRISTODOULOU

born 1967, Cypriot

Executive Member
(since July 2023)

Mrs. Vera Christodoulou is Managing Director and Board Member of several subsidiaries of EPH. She is specialized in corporate governance, operations and communications. She has over 20 years of professional experience in client relations, business development, compliance and communications. Mrs. Christodoulou worked in various management positions for Linebrook limited, Eurasia Capital, Mars Capital and DCS Group in Cyprus. Mrs. Christodoulou graduated from the University of Lwivska Polytechnika Ukraine in 1989 with a masters degree in System Engineering.

Vera Christodoulou has been appointed as a Board Member on 26th July 2023.

MICHAEL CUTHBERT

born 1956, English

Non-Executive Member
(since April 2013)

Mr. Michael Cuthbert is a corporate strategy consultant and advisor having previously worked for two of the leading law firms in London, Slaughter and May and subsequently Clifford Chance. He was a partner of Clifford Chance for almost 24 years and was one of its the Regional Managing Partners and a member of its global management committee.

TOMASZ DUKALA

born 1974, Polish

Executive Member
(since April 2013)

Mr. Tomasz Dukala is an entrepreneur and board member in several commercial real estate organisations. He leads EPH's transaction team and supports acquisitions and funding strategies. From 2007 to 2011 he worked at Morgan Stanley, Real Estate Investment Banking Division as a Senior Coverage Officer across territories in Europe. Before that Mr. Dukala served as a National Director at Jones Lang LaSalle Capital Markets Department. He started his career at Pricewaterhouse-Coopers Corporate Finance Department. Mr. Dukala is a CFA charter holder.

OLGA MELNIKOVA

born 1968, Russian

Executive Member
(since April 2013)

Mrs. Olga Melnikova is Chairman of the Board of Directors of EPH PLC and specializes in the strategic planning of legal support through internal legal experts and external advisers in local and international legal environments. Besides, she provides legal support and structuring for real estate transactions in Russia and Europe. Mrs. Melnikova graduated from Moscow State University of Railway Engineering in 1991 with a degree in Engineering and Mathematics.

HANS MESSMER

born 1955, German

Non-Executive Member
(April 2013 - April 2023)

Mr. Hans Messmer is an independent director with expertise in international banking and financing. Until June 2019 he was CIO of CAIAC Fund Management AG in Liechtenstein. Before joining CAIAC, he held management functions in various asset management companies and acted as head of business development at Baader Bank (Munich) for exchange traded products. He holds a MBA of Johann Wolfgang Goethe University Frankfurt specialised in Banking and Insurance.

Hans Messmer has resigned as a Board Member on 19th April 2023.

GUSTAV STENBOLT

born 1957, Norwegian

Executive Member
(since March 2003)

Mr. Gustav Stenbolt is Chairman of the Board of Directors of Swiss listed Valartis Group and was Group CEO from 2007 to 2015. From 2004 to 2007, he was Chief Executive Officer of Jelmoli Holding AG. In 1996 Mr. Stenbolt founded MCT Group, one of the predecessors of Valartis Group, offering institutional asset management services focused on Eastern Europe and the CIS countries. From 2004 to 2007 he was president of the executive committee of Jelmoli Holding AG, by then one of the leading department stores and real estate companies in Switzerland. Gustav Stenbolt graduated from the University of Fribourg, Switzerland with a degree in Economics.

GERRIT STRAUB

born 1966, Swiss

Non-Executive Member
(since July 2023)

Mr. Straub is an experienced and reputable Swiss lawyer working with Klein Rechtsanwälte since 1999 focusing on Real Estate and Swiss Tax Law. He holds a degree from the University of Bern, Switzerland.

Gerrit Straub has been appointed as a Board Member on 26th July 2023.

ANNAMARIA VASSILIADES

born 1987, Cypriot

Executive Member
(June 2020 - April 2023)

Mrs. Annamaria Vassiliades is a lawyer with a dual qualification as a Solicitor of England & Wales and a Cypriot Advocate. She has expertise in International Tax Planning, M&A and commercial transactions. At the end of 2015, she joined CHRISTODOULOS G. VASSILIADES & CO. LLC currently in the position as Associate Director leading the firm’s corporate teams and supporting the Board of Directors in firm management and business development. She holds a Masters degree from the University College London in International Business Law and admitted to the Roll of Solicitors of England and Wales in 2015.

Annamaria Vassiliades has resigned as a Board Member on 13th April 2023.

MANAGEMENT COMMITEE

VERA CHRISTODOULOU

born 1967, Cypriot

Management Committee Member
(since April 2015)

Mrs. Vera Christodoulou is Managing Director and Board Member of several subsidiaries of EPH. She is specialized in corporate governance, operations and communications. She has over 20 years of professional experience in client relations, business development, compliance and communications. Mrs. Christodoulou worked in various management positions for Linebrook limited, Eurasia Capital, Mars Capital and DCS Group in Cyprus. Mrs. Christodoulou graduated from the University of Lwivska Polytechnika Ukraine in 1989 with a masters degree in System Engineering.

MARIOS PHEDONOS

born 1982, Cypriot

Management Committee Member
(since February 2022)

Mr. Marios Phedonos is the Managing Director of Axion Audit, Tax & Assurance Limited. He has an extensive knowledge of the IFRS and ISAs specialised on financial audits of international clients, business consulting services and strategic planning. He holds a degree in Accounting from the European University Cyprus and the Certification from the Cyprus Securities and Exchange Commission (CySec). Marios Phedonos is a fellow Member of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Certified Public Accountants of Cyprus (ICPAC).

OLGA MELNIKOVA

born 1967, Russian

Management Committee Member
(since September 2013)

Mrs. Olga Melnikova is Chairman of the Board of Directors of EPH PLC and specializes in the strategic planning of legal support through internal legal experts and external advisers in local and international legal environments. Besides, she provides legal support and structuring for real estate transactions in Russia and Europe. Mrs. Melnikova graduated from Moscow State University of Railway Engineering in 1991 with a degree in Engineering and Mathematics.

CHRISTINA SPYROU-KATRAS

born 1972, Cypriot

Management Committee Member
(since February 2022)

Mrs. Christina Spyrou-Katras is Director at Valartis Group. She is specialised in client relations and administrations working for Valartis and EPH since 18 years.Christina Spyrou-Katras was Branch Manager of Marcuard Cook & Cie S.A handling the administration for the client's accounts. She moved to Cyprus in 1997 after she had left Goldman Sachs in Toronto, Canada. She holds a degree in Computer Programming from Centennial College (Toronto,Canada).

ANNAMARIA VASSILIADES

born 1987, Cypriot

Management Committee Member
(June 2020 - April 2023)

Mrs. Annamaria Vassiliades is a lawyer with a dual qualification as a Solicitor of England & Wales and a Cypriot Advocate. She has expertise in International Tax Planning, M&A and commercial transactions. At the end of 2015, she joined CHRISTODOULOS G. VASSILIADES & CO. LLC currently in the position as Associate Director leading the firm's corporate teams and supporting the Board of Directors in firm management and business development. She holds a Masters degree from the University College London in International Business Law and admitted to the Roll of Solicitors of England and Wales in 2015.

Annamaria Vassiliades has resigned as a Management Committee Member on 13th April 2023.

Corporate Governance

This section contains parts of the annual corporate governance report focusing on significantly changed matters since the last reporting date (31 December 2022). Other statements made as of last reporting date remain valid beyond the date of 30 April 2023 and are still applicable as of the reporting date of this interim condensed financial statement (30 June 2023).

On 30 June 2023, EPH European Property Holdings PLC (the "Company" or "EPH") changed its registered address from Menandrou 12, Eliona Tower, Office 207, 1066 Nicosia, Cyprus to Monis Machaira 18, Office 101, 3020 Limassol, Cyprus.

1. BOARD OF DIRECTORS

1.1 Members of the Board of Directors

In April 2023, Hans Messmer and Annamaria Vassiliades have resigned as Board Members with immediate effect. On 26 July 2023, the Board of Directors has appointed and on 30 August 2023, the Annual General Meeting of the Company has resolved the appointment of Vera Christodoulou and Gerrit Straub as directors of the Company for a term of two years.

Board Members who are part of the Management Committee of EPH or being operationally involved in the business of EPH, are designated as Executive Board Members. Vera Christodoulou is an Executive Board Member due to her involvement in the Management Committee. Gerrit Straub is designated as Non-Executive Board Member.

Composition of the Board of Directors as of the reporting date (30 June 2023) and as of the release day (30 September 2023), as well as biographies of the Board Members can be found in the "Directors and Management" section of the report, starting on page 20.

2. MANAGEMENT COMMITTEE

2.1.Members of the Management Committee

In April 2023, Annamaria Vassiliades has resigned as Management Committee Member with immediate effect.

Composition of the Management Committee as of 30 June 2023 and biographies of the Management Committee Members can be found in the "Directors and Management" section of the report, starting on page 20.

3. ADVISOR

Valartis Group AG, and its subsidiaries (together "Valartis") provides various advisory services to the Company. Following the sale of the Russian portfolio in April 2023, the agreement with Valartis Group AG was renegotiated and is in its new form effective from 1 May 2023 until expiry on 1 January 2025 with the possibility of prolongation by express written agreement of both parties.

Valartis is supporting and giving advice in regards to the day-to-day business of EPH. The scope of services covered includes among others asset management services for the properties City Gate, Work Life Center, QBC 4, STRAL 3, SALZ 4, LASS 1 and QBC 1,2,7. In addition to leasing, regular reporting and administration of the Company's properties, the services provided by Valartis also relate to corporate administrative, financial management, directorships in subsidiaries and investor relations services.

Valartis regularly reports to the Board of Directors and the Management Committee which monitor the activities closely. Valartis is only authorized to act within agreed budgets of the respective subsidiaries and within the scope of the respective property management agreements. Within its scope Valartis suggests measures to be considered by the Board of Directors or the Management Committee.

4. COMPENSATION, SHAREHOLDINGS & LOANS

Members of the Board of Directors are compensated for serving on the Board of Directors. Starting from April 2018, the annual fee per Board Member has been agreed at US$ 50,000 which is included in administrative expenses in the Company's income statement.

On 26 April 2023, the Board Members decided to convert the renumeration to EUR 46,500. The current compensation level will remain in effect until the Board of Directors votes to amend it.

Tomasz Dukala is supporting the Company with advisory services especially in the sphere of acquisitions of new assets and receives an additional annual compensation. Vera Christodoulou is apart from a Board Member also part of the Management Committee and Director at the Group's subsidiaries. Her annual compensation reflects these responsibilities and duties. Gustav Stenbolt does not receive a separate compensation for his Board Membership as it is covered in the agreement between the Company and Valartis.

Also, the compensation of the Management Committee Members is dependent on their specific services and different positions rendered for the Company.

Name of Member	Function	Annual cash remuneration
Vera Christodoulou	Executive Board & MC Member	EUR 102,120
Michael Cuthbert	Non-Executive Board Member	EUR 46,500
Tomasz Dukala	Non-Executive Board Member	EUR 76,500
Olga Melnikova	Executive Board & MC Member	EUR 46,500
Marios Phedonos	MC Member	EUR 10,000
Christina Spyrou-Katras	MC Member	EUR 38,000
Gustav Stenbolt	Executive Board Member	–
Gerrit Straub	Non-Executive Board Member	EUR 46,500

EXTERNAL REPORTS

Deloitte.

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www.deloitte.ch

Report on Review of Interim Condensed Consolidated Financial Information

To the Board of Directors of
EPH European Property Holdings PLC, Limassol, Republic of Cyprus

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of EPH European Property Holdings PLC and its subsidiaries (together the "Group"), which comprises the interim consolidated statement of financial position as of June 30, 2023 and the related interim consolidated statement of profit and loss, the interim consolidated statement of comprehensive income, the interim consolidated statement of cash flow, the interim consolidated statement of changes in equity for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" and article 17 of the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information for the six months period ended 30 June 2023 is not presented, in all material respects, in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" and article 17 of the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange.

Deloitte AG

Marcel Meyer	Deborah Caldwell
Partner	Senior Manager

Zurich, September 29, 2023

PwC Advisory Services GmbH
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RAMSES Immobilien Gesellschaft m.b.H. & Co KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna
Austria

September 15, 2023

Assessment of Fair Value of the property Lassallestraße 1 in Vienna

Dear Ms. Bernhart,

based on our agreement (hereinafter “agreement” or “engagement letter”) as of December 9, 2022, and the confirmation of order as of July 21, 2023, RAMSES Immobilien Gesellschaft m.b.H. & Co KG (“Ramses” or “you”) has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property “Lassallestraße 1”, Lassallestraße 1, 1020 Vienna, KG 01657 EZ 5914 as of June 30, 2023.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated September 15, 2023.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova

Matthias Eicher

pwc

PwC Advisory Services GmbH
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QBC Immobilien GmbH & Co Omega KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna

September 15, 2023

Assessment of Fair Value of the property QBC 1 in Vienna

Dear Ms. Bernhart,

based on our agreement (hereinafter “agreement” or “engagement letter”) as of June 23, 2021 and the confirmation of order as of July 20, 2023, QBC Immobilien GmbH & Co Omega KG (“QBC” or “you”) has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property “QBC1”, 1100 Wien, KG 01101 Favoriten EZ 3758 as of June 30, 2023.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated September 15, 2023.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova

Matthias Eicher

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QBC Immobilien GmbH & Co Alpha KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna

September 15, 2023

Assessment of Fair Value of the property QBC 2 in Vienna

Dear Ms. Bernhart,

based on our agreement (hereinafter "agreement" or "engagement letter") as of June 23, 2021 and the confirmation of orders as of July 20, 2023, QBC Immobilien GmbH & Co Alpha KG ("QBC" or "you") has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property "QBC2", 1100 Wien, KG 01101 Favoriten, EZ 3632 as of June 30, 2023.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated September 15, 2023.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova

Matthias Eicher

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QBC Immobilien GmbH & Co Delta KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna
Austria

September 15, 2023

Assessment of Fair Value of the property QBC 4 in Vienna

Dear Ms. Bernhart,

based on our agreement (hereinafter "agreement" or "engagement letter") as of November 22, 2021 and the confirmation of orders as of July 20, 2023, QBC Immobilien GmbH & Co Delta KG ("QBC" or "you") has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property "QBC4", Karl-Popper-Straße 4, 1100 Vienna, KG 01101 EZ 3667 as of June 30, 2023.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated September 15, 2023.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova　　　　Matthias Eicher

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QBC Immobilien GmbH & Co Zeta KG
Ms Anna Bernhart
Esslinger Hauptstraße 188 B/Haus 4
1220 Vienna

September 15, 2023

Assessment of Fair Value of the property QBC 7 in Vienna

Dear Ms. Bernhart,

based on our agreement (hereinafter “agreement” or “engagement letter”) as of November 22, 2021 and the confirmation of orders as of July 20, 2023, QBC Immobilien GmbH & Co Zeta KG (“QBC” or “you”) has mandated PwC Advisory Services GmbH, Vienna to ascertain the Fair Value of the Property “QBC7”, 1100 Wien, KG 01101 Favoriten, EZ 3660 as of June 30, 2023.

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment) were the basis for providing our services and for our responsibility, also in relation to third parties. We particularly draw your attention to our limitations of liability.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated September 15, 2023.

According to the engagement letter signed by you, the Report was exclusively prepared for you in accordance with the engagement letter and the therein determined purposes for reporting. The Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media. Duties of care and liabilities on the part of PwC towards third parties are excluded.

Yours faithfully

PwC Advisory Services GmbH

ppa. Olena Chekmezova   Matthias Eicher pwc

PricewaterhouseCoopers GmbH
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PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Kapelle-Ufer 4, 10117 Berlin

SG4 Dresden GmbH & Co. KG
Mr Adi Bikić and Mr Roman Brück
Westendstraße 28
60325 Frankfurt am Main
Germany

14 September 2023
APo/JSa

Assessment of Fair Value of the property "Innside by Melia", Salzgasse 4 in Dresden

Dear Mr. Bikić, Dear Mr. Brück,

You have first mandated PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin to ascertain the Fair Value of the hotel property "Innside by Melia", Salzgasse 4 in 01067 Dresden as at 31 December 2020.

After the initial valuation, we provided regular bi-annual updates as of 30 June and 31 December of each year, and recently, you engaged us to update the Fair Value assessment of the subject property as of 30 June 2023.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated 26 July 2023.

According to the engagement letter signed by you, the Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media.

Yours faithfully

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

A. Polter ppa. Sacchi

Andreas Polter Julia Sacchi

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Kapelle-Ufer 4, 10117 Berlin

SA3 Media S.à r.l.
Ms. Carole Sassel and Mr. Fernand Sassel
7, route d´Esch
1470 Luxemburg
Luxemburg

14 September 2023
APo/JSa

Assessment of Fair Value of the property nhow in Berlin, Stralauer Allee 3

Dear Ms. Sassel, Dear Mr. Sassel,

You have first mandated PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin to ascertain the Fair Value of the hotel property nhow Berlin at Stralauer Allee 3 in 10245 Berlin as at 30 June 2020.

After the initial valuation, we provided regular bi-annual updates as of 30 June and 31 December of each year, and recently, you engaged us to update the Fair Value assessment of the subject property as of 30 June 2023.

The valuation was to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated 26 July 2023.

According to the engagement letter signed by you, the Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media.

Yours faithfully

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

A. Polter ppa. Sacchi

Andreas Polter Julia Sacchi

PricewaterhouseCoopers GmbH
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PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Kapelle-Ufer 4, 10117 Berlin

WLC Hamburg GmbH
Mr. Marcus Friedrichs
Westendstraße 28
60325 Frankfurt

14 September 2023
APo/JSa

Assessment of Fair Value of the property Work Life Center in Hamburg

Dear Mr. Friedrichs,

You have first mandated PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin to ascertain the Fair Value of the Property "Work Life Center" at Gorch-Fock-Wall 1a in 20354 Hamburg as at 31 December 2017.

After the initial valuation, we provided regular bi-annual updates as of 30 June and 31 December of each year, and recently, you engaged us to update the Fair Value assessment of the subject property as of 30 June 2023.

The valuation at hand is to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated 13 July 2023.

According to the engagement letter signed by you, the Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media.

Yours faithfully

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

ppa. Sacchi

Andreas Polter   Julia Sacchi

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Kapelle-Ufer 4, 10117 Berlin

City Gate Stuttgart GmbH
Mr. Marcus Friedrichs
Westendstr. 28

60325 Frankfurt

14 September 2023
APo/JSa

Assessment of Fair Value of the property City Gate Stuttgart

Dear Mr. Friedrichs,

You have first mandated PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin to ascertain the Fair Value of the Property "City Gate Stuttgart" at Friedrichstraße/Kriegsbergstraße/Arnulf-Klett-Platz crossing as at 31 December 2016.

After the initial valuation, we provided regular bi-annual updates as of 30 June and 31 December of each year, and recently, you engaged us to update the Fair Value assessment of the subject property as of 30 June 2023.

The valuation at hand is to serve IFRS accounting purposes in compliance with the International Financial Reporting Standard IFRS 13 issued by International Accounting Standards Board (IASB).

IFRS 13.9 defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

We have summarized the assumptions, estimations and conclusions made in our valuation, and our opinion of Fair Value of the Property in our Report dated 13 July 2023.

According to the engagement letter signed by you, the Report is confidential and shall therefore not be passed in whole or in part to any third party and shall not in whole or in part be published or referred to in a public document, the Internet or any other public media.

Yours faithfully
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Andreas Polter | ppa. Sacchi
Julia Sacchi

FINANCIAL REPORT

in EUR	Note *	30.06.2023	31.12.2022
Assets			
Non-current assets			
Investment properties	4	851,984,566	895,119,207
Goodwill		23,952,472	23,952,472
Loans and accounts receivable	6	93,283,595	41,987,170
Deferred tax assets		–	25,264
Furniture and equipment		10,702	12,071
Total non-current assets		969,231,335	961,096,184
Current assets			
Accounts receivable	6	4,056,739	4,500,563
Prepayments		547,860	304,655
Prepaid taxes		788,251	2,564,491
Cash & cash equivalents	7	187,722,988	191,293,521
		193,115,838	198,663,230
Assets classified as held for sale	8	–	546,550,309
Total current assets		193,115,838	745,213,539
Total assets		1,162,347,173	1,706,309,723
Liabilities			
Non-current liabilities			
Borrowings	9	170,650,719	343,885,954
Deferred tax liabilities		30,764,344	36,117,580
Other non-current liabilities	10	1,388,140	1,383,206
Total non-current liabilities		202,803,203	381,386,740
Current liabilities			
Accounts payable and accrued expenses	10	3,883,135	4,950,067
Advances received		667,308	262,362
Taxes payable		1,147,006	737,788
Borrowings	9	422,626,432	248,999,441
		428,323,881	254,949,658
Liabilities directly associated with assets classified as held for sale		–	543,408,809
Total current liabilities		428,323,881	798,358,467
Equity	18		
Share capital		13,400,390	13,400,390
Share premium		668,715,693	668,715,693
Treasury shares		– 2,351,285	– 2,295,952
Accumulated deficit		– 158,028,916	– 27,073,120
Other reserves		– 32,250	– 28,383
Cumulative translation adjustment		753,876	– 136,101,939
Shareholders' equity attributable to the holders of the Company		522,457,508	516,616,689
Non-controlling interest		8,762,581	9,947,827
Total equity		531,220,089	526,564,516
Total equity and liabilities		1,162,347,173	1,706,309,723
Number of shares outstanding		14,317,355	14,319,457
Net asset value per share		36.49	36.08

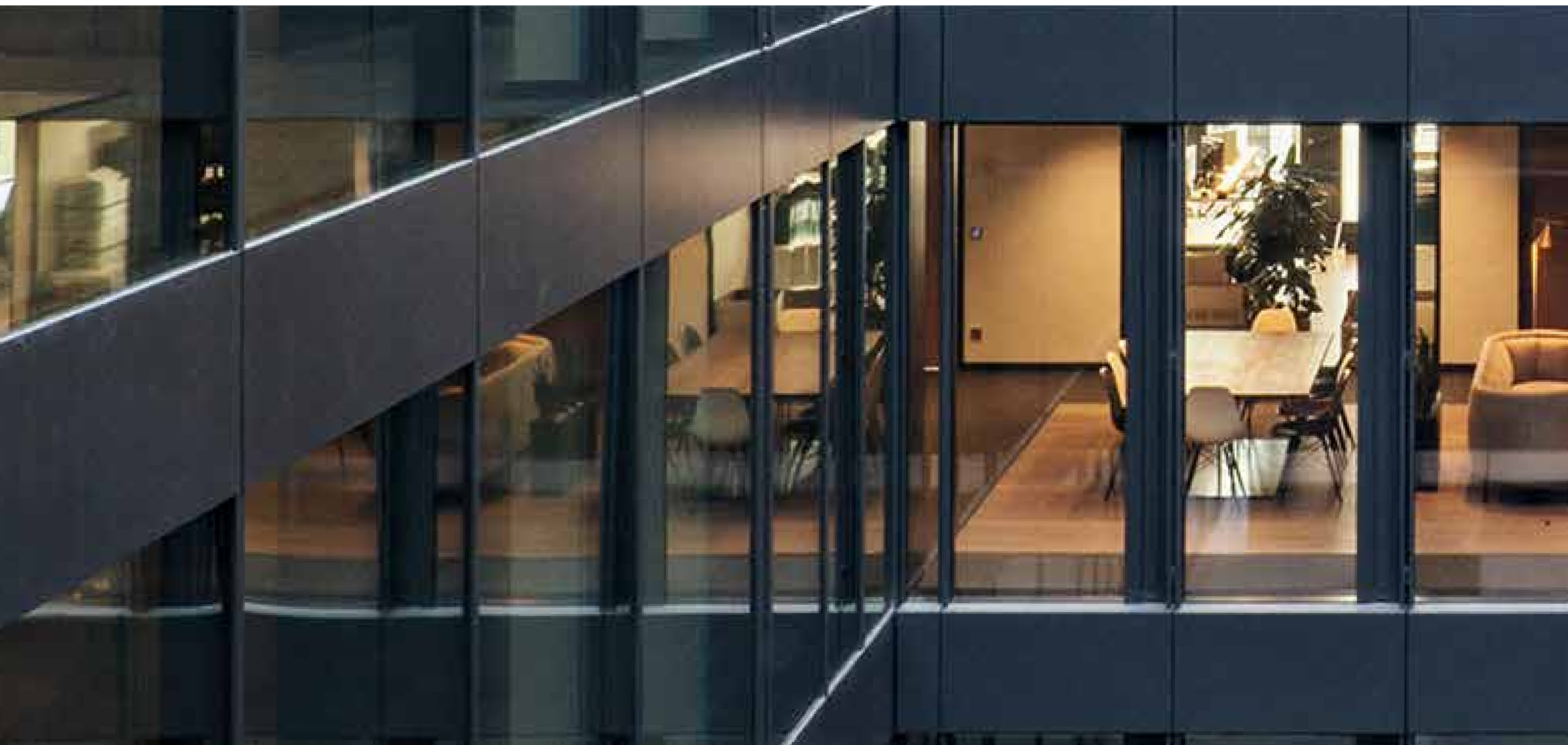
* The Notes are an integral part of these Consolidated Financial Statements.

		for six months ended	
in EUR	Note *	30.06.2023	30.06.2022
Continuing operations			
Rental income			
Gross rental income	11	16,357,293	12,587,415
Service charge income	11	5,017,014	2,909,181
Property operating and maintenance expenses	11	– 5,741,169	– 3,968,044
Net rental income		15,633,138	11,528,552
Management fees		– 817,894	– 709,907
Administrative expenses	12	– 1,717,486	– 1,121,894
Release of impairment allowance for loans and receivables	6	4,619,593	–
Other income	13	311,646	305,237
Other expenses	14	– 286,838	– 246,504
Revaluation of investment properties	4	– 45,767,478	17,077,118
Net operating profit/(loss)		– 28,025,319	26,832,602
Interest income		896,942	5,698
Fair value adjustment on financial instruments	6	– 6,273,690	–
Finance cost	15	– 6,037,071	– 9,428,035
Net foreign exchange (loss)/ gain		– 831,826	– 3,518,076
(Loss)/profit before tax		– 40,270,964	13,892,189
Income taxes	16	5,123,198	– 4,087,736
Net (loss)/profit from continuing operations		– 35,147,766	9,804,453
Net loss from discountinued operations (attributable to equity holders of the Company)	8	– 96,992,841	– 46,940,258
Total loss for the period		– 132,140,607	– 37,135,805
Attributable to:			
Equity holders of the Company		– 130,955,796	– 37,586,473
Non-controlling interest		– 1,184,811	450,668
Earnings per share for (loss)/profit from continuing operations attributable to equity holders of the Company during the period			
Weighted average number of outstanding shares		14,318,338	14,322,727
Basic and diluted**	17	– 2.37	0.65

*The Notes are an integral part of these Consolidated Financial Statements.
**The comparative figures were re-presented to disclose the earning per share from continuing operations.

		for six months ended	
in EUR	Note	30.06.2023	30.06.2022
Net loss for the period		– 132,140,607	– 37,135,805
Other comprehensive gain/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income		– 5,125	– 640,930
(Loss)/gain on currency translation differences		– 25,888,127	161,327,563
Income tax relating to these items		823	81,202
Net other comprehensive (loss)/gain that may be reclassified subsequently to profit or loss		– 25,892,429	160,767,835
Currency translation differences reclassified to profit or loss upon disposal of discontinued operations	8	162,743,942	–
Total comprehensive gain for the period		4,710,906	123,632,030
Attributable to:			
Equity holders of the Company		5,896,152	123,237,895
Non-controlling interest		– 1,185,246	394,135

* The Notes are an integral part of these Consolidated Financial Statements.



in EUR	Share capital	Share premium	Treasury shares	Accumulated deficit
Balance as at 01.01.2022	12,719,786	669,396,297	– 2,135,976	– 33,758,568
Net (loss)/profit for the period	–	–	–	– 37,586,473
Other comprehensive gain/(loss)	–	–	–	–
Total comprehensive gain/(loss) for the period	–	–	–	– 37,586,473
Acquisition of treasury shares, net of sale	–	–	– 123,658	–
Balance as at 30.06.2022	12,719,786	669,396,297	– 2,259,634	– 71,345,041
Net profit/(loss) for the period	–	–	–	44,271,921
Other comprehensive gain/(loss)	–	–	–	–
Total comprehensive gain/(loss) for the period	–	–	–	44,271,921
Acquisition of treasury shares, net of sale	–	–	– 36,318	–
Change of the denomination of registered share capital from US$ to EUR	680,604	– 680,604	–	–
Balance as at 31.12.2022	13,400,390	668,715,693	– 2,295,952	– 27,073,120
Net loss for the period	–	–	–	– 130,955,796
Other comprehensive gain/(loss)	–	–	–	–
Total comprehensive gain/(loss) for the period	–	–	–	– 130,955,796
Acquisition of treasury shares, net of sale	–	–	– 55,333	–
Balance as at 30.06.2023	13,400,390	668,715,693	– 2,351,285	– 158,028,916

* The Notes are an integral part of these Consolidated Financial Statements.

Other reserves	Cumulative translation adjustment	Shareholders' equity attributable to the holders of the Company	Non-controlling interest	Total equity
395,385	– 181,670,343	464,946,581	9,560,384	474,506,965
–	–	– 37,586,473	450,668	– 37,135,805
– 503,195	161,327,563	160,824,368	– 56,533	160,767,835
– 503,195	161,327,563	123,237,895	394,135	123,632,030
–	–	– 123,658	–	– 123,658
– 107,810	– 20,342,780	588,060,818	9,954,519	598,015,337
–	–	44,271,921	– 15,615	44,256,306
79,427	– 115,759,159	– 115,679,732	8,923	– 115,670,809
79,427	– 115,759,159	– 71,407,811	– 6,692	– 71,414,503
–	–	– 36,318	–	– 36,318
–	–	–	–	–
– 28,383	– 136,101,939	516,616,689	9,947,827	526,564,516
–	–	– 130,955,796	– 1,184,811	– 132,140,607
– 3,867	136,855,815	136,851,948	– 435	136,851,513
– 3,867	136,855,815	5,896,152	– 1,185,246	4,710,906
–	–	– 55,333	–	– 55,333
– 32,250	753,876	522,457,508	8,762,581	531,220,089

		for six months ended	
in EUR	Note *	30.06.2023	30.06.2022
Cash flows from operating activities			
Net loss for the period		– 132,140,607	– 37,135,805
Net foreign exchange loss		28,113,569	– 21,462,297
Revaluation of investment properties	4.1.	19,950,658	90,056,503
Release of impairment allowance for loans an receivables	6	– 4,619,593	–
Other non-cash expenses		88,438	262,624
Release of impairment allowance for Eurobonds		– 22,500	– 135,000
Loss incurred on sale of subsidiary	8	95,179,742	–
Depreciation		1,655	4,281
Interest income		– 1,075,320	– 528,375
Fair value adjustment on financial instruments	6	6,273,690	–
Finance costs	15	9,432,037	15,677,696
Other income related to acquisitions of properties in prior periods		–	– 43,382
Income tax (benefit)/expense	16	2,052,644	– 16,103,325
Cash generated from operations before movements in working capital		23,234,413	30,592,920
Movements in working capital			
(Decrease)/increase in accounts payable and other liabilities		– 4,100,877	5,979,846
Decrease/(Increase) in accounts receivable and other receivables		2,827,150	– 3,178,136
Decrease in inventory		–	2,181,221
Cash generated from operations		21,960,686	35,575,851
Release from restricted cash of tenant deposits		941	–
Interest income received		166,087	569,741
Income tax paid		– 2,138,876	– 6,235,470
Net cash generated from operating activities		19,988,838	29,910,122
Cash flows from investing activities			
Purchases of investment properties		– 2,002,411	– 18,612,719
Proceeds from sales of investment properties		–	192,966
Repayments of loans given		22,340,664	–
Release/(net transfer) of funds from/to Escrow accounts		–	1,578,395
Disposal of subsidiary	8.4.	– 6,588,900	–
Loans granted		– 1,335,647	–
Net cash generated from/ (used in) investing activities		12,413,706	– 16,841,358
Cash flows from financing activities			
Interest paid		– 7,999,531	– 13,264,652
Proceeds from borrowings		3,735,517	103,000,000
Repayment of borrowings		– 30,555,000	– 450,000
Proceeds from sale of treasury shares		6,339	–
Acquisition of treasury shares		– 61,672	– 123,658
Net cash (used in)/ generated from financing activities		– 34,874,347	89,161,690
Net change in cash & cash equivalents		– 2,471,803	102,230,454
Cash & cash equivalents at the beginning of the period		190,161,377	97,739,881
Net (loss)/gain from foreign currency translation		– 1,098,004	2,764,438
Cash & cash equivalents at the end of the period		186,591,570	202,734,773

* The Notes are an integral part of these Consolidated Financial Statements.

Notes to the statement of cash flows:

- Cash flows above include both continued and discontinued operations. Disclosure of cash flows of discontinued operations is given in Note 8.2.
- Non-cash transactions and changes in loans given, long-term receivables and borrowings: refer to Notes 6.1, 8.4 and 9.4.
- Reconciliation of cash& cash equivalents in the statement of financial position to the statement of cash flows is given in the table below:

in EUR	Note	30.06.2023	30.06.2022
Cash and cash equivalents available per statement of financial position	7	187,722,988	203,913,003
Bank overdraft	9	– 632	– 45,543
Restricted cash	7	– 1,130,786	– 1,132,687
Total cash at the end of the period per statement of cash flows		186,591,570	202,734,773

1. CORPORATE INFORMATION

EPH European Property Holdings PLC (former "EPH European Property Holdings Limited" (26 June 2020 – 7 February 2022) and "Eastern Property Holdings Ltd." (from foundation up to June 2020)) (the "Company", "EPH") is a limited liability company incorporated and domiciled in Cyprus (before 7 February 2022, in British Virgin Islands) whose shares are publicly traded on the SIX Swiss Exchange. The registered office is located at Monis Machaira 18, Office 101, 3020 Limassol, Cyprus. The interim condensed consolidated financial statements (unaudited) of EPH and its subsidiaries (together the "Group") for the half year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 28 September 2023.

The principal activities of the Group are described in Note 3.1.

The Company was founded in 2003 with the intention to invest in the Russian real estate market. In 2016, EPH acquired its first property outside Russia. In the following years, the Company continued its westward expansion and strengthened its real estate portfolio through further acquisitions in Germany and Austria. In June 2020, the Company changed its name to EPH European Property Holdings to underline its geographic shift and its intensive expansion phase across European real estate markets. On 7 February 2022, the Company re-domiciled to Cyprus as EPH European Property Holdings PLC.

On 19 April 2023, the Company sold its Russian portfolio to the Russian management of the Group. After the sale, the Group plans to continue to build up its presence in Western Europe.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparartion

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34, ‘Interim financial reporting’. The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022.

2.2. Going concern basis

The Group incurred a loss of EUR 132.14 million for six months ended 30 June 2023 and, as of that date the Group’s current liabilities exceeded its current assets by EUR 235.2 million. The loss incurred is mainly attributable to the reclassification of the cumulative loss on exchange differences of EUR 162.74 million, relating to the disposal group and accumulated in the separate component of equity (‘Cumulative translation adjustment’), from equity to profit or loss statement. The reclassification adjustment was made at completion of the sale of the disposal group. Refer to Note 8.4. The shortage in the current ratio is primarily caused by the classification of the bonds issued by the Company in prior years for the amount of EUR 366.53 million as a current part of the liabilities, as they become due for payment in September 2023 (EUR 244.35 million) and May 2024 (EUR 122.18 million).

Subsequently to the reporting date, the Company agreed with the bondholders on extension of five years for the bonds with the original maturity in September 2023. Refer to Note 21. The amendments to the terms of the bonds become effective on 1 October 2023. Following the successful prolongation of the bonds as well as interest rate market developments, on 21 September 2023, EPH early repaid the loans provided to QBC 1, 2 and 4 by UniCredit Bank Austria AG in total amount of EUR 150 million, of which EUR 51.6 million are current at the reporting date. After these transactions, the excess of current liabilities over current assets will be reduced to approximately EUR 90 million. The management of the Company is currently considering different options to improve the financial situation and the liquidity. The preferable scenario is extension of the bond terms. In the event that no agreement is reached with the bondholders, the remaining liquidity gap can be potentially covered by attracting a bank loan for unleveraged assets, issuing additional shares or through some other possibilities including utilization of rental revenue cash flows, proceeds received on termination of the interest rate SWAP with UniCredit in September 2023 (Note 21.3) and repayments of loans and receivables provided to the former Russian segment (Note 6.1). Considering the high quality and performance of the European portfolio and successful experience in the past, the management is confident that the Group will be able to meet its obligations as they fall due and to continue as a going concern. Based on these grounds, the financial statements are prepared on a going concern basis.

2.3. Functional and presentation currency

The functional and presentation currency of the Company, from 1 January 2022, is Euro (“EUR”) (before 1 January 2022: US dollar (“US$”)). The functional currency of the Group’s subsidiaries is Euro (“EUR”). The functional currency of the former Russian subsidiaries, that were sold in the reporting period, was the Russian Ruble (“RUB”). The Group uses the following official rates of exchange, as determined by the Swiss National Bank (for 1 EUR):

	30.06.2023	19.04.2023		31.12.2022		30.06.2022	
	US$	RUB	US$	RUB	US$	RUB	US$
closing rate	1.0839	89.2548	1.0988	77.7755	1.0656	56.3093	0.9578
average rate	1.0801	82.0266	1.0827	70.0477	1.0509	77.7340	0.9204

The rates as of 19.04.2023, presented above, were used for translation of the results and financial position of the disposal group, accounted for in functional currency RUB, for the period from 1 January 2023 till the date of disposal 19 April 2023 and at this date.

2.4. Seasonality of interim operations

The Group’s operating income includes rent and sales income from real estate assets. While operations are subject to long-term cyclical patterns in rental and sales prices, management of the Group does not believe interim operations are subject to seasonality. The same accounting policies and methods of computation are followed in the interim condensed consolidated financial statements as compared with the most recent annual consolidated financial statements.

2.5. Income tax

Income tax in the interim periods is accrued using the effective tax rate that would be applicable to the expected total annual earnings.

2.6. Changes in accounting policies and disclosures

2.6.1. New and amended standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023.

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group:
– IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17);
– Amendments to IAS 8 – Definition of Accounting Estimates;
– Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies;
– Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
– Amendments to IAS 12 Income Taxes— International Tax Reform — Pillar Two Model Rules.

Management of the Group do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2.6.2. Early adopted standards

In the first half of 2023, the Group did not early adopt any new or amended standards and does not plan to early adopt any of the issued, but not yet effective standards.

2.6.3. Re-presentation of profit and loss report and respective disclosures for prior periods for discontinued operations

In the end of 2022, the Group committed to sell its Russian portfolio (discontinued operations) to third parties. According to IFRS 5, regulating accounting for non-current assets held for sale and discontinued operations, the items of profit and loss of the discontinued operations and respective disclosures are presented as a single amount in the statement of profit and loss (line Net loss from discountinued operations (attributable to equity holders of the Company)). The Group re-presented the items in the statement of profit or loss and disclosures for prior period presented in the financial statements so that the disclosures relate to all operations that have been discontinued in the reporting period for the prior period.

2.7. Significant accounting estimates and assumptions

2.7.1. Valuation of investment property

Refer to Note 5.

2.7.2. Expected credit loss for loans and receivables from the former Russian segment

Expected credit loss is defined as weighted average of credit losses with the respective risks of a default occurring as the weights. A credit loss is defined as the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). An entity shall estimate cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The cash flows that are considered shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial instrument can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the entity shall use the remaining contractual term of the financial instrument.

The standard IFRS 9, that regulates accounting for impairment of financial assets, provides only a general definition of ECL and does not require a concrete methodology for calculating ECL to be applied in practice. The most common approach is to calculate ECL as the sum of the marginal future expected losses in each period following the reporting date. Future losses are estimated using Probability of Default (PD), Loss Given Default (LGD) and Exposure at default (EAD). This approach allows to leverage existing models and risk parameters, as PD, EAD and LGD are commonly used for risk management and for other regulatory requirements (IRB). For financial instruments for which there is insufficient information to calculate the probability of default, calculation of ECL directly based on the discounted cash flow method may be more applicable. For the loans and receivables from the former Russian segment, information to calculate PD is not sufficient, as there is no historical data on defaults of similar instruments, on the base of which the probability of default could be calculated. Therefore, the discounted cash flow method was applied to calculate ECL, because the Company has information about forecasted cash flows. Final ECL is determined as the probability-weighted average of ECLs calculated for two alternatively possible basic scenarios and several stress-test scenarios that take into account both positive and negative changes in the basic scenarios. Basic scenarios are given 50% in total; negative and positive scenarios are given by 25% evenly.

Credit risk at the reporting date was determined at stage 2 due to the latest macroeconimic developments in Russia, including depreciation of RUB; increase in discount rate of the Central bank; growth of the national budget deficit; unclear prospects of the conflict in Ukraine. Estimated credit loss allowance for a financial instrument at this stage is equal to lifetime expected credit losses and amounts to EUR 18.27 million as of 30 June 2023. Had the weight of the negative scenarios been higher/lower by 50%, ECL would have been greater/lower by EUR 4.94 million. Consequently, the Group would have recognized additionally (loss)/gain on impairment allowance for EUR 4.94 million. Detailed information on loans and receivables is given in Note 6.1.

3. SEGMENT INFORMATION

3.1. Operating segments

Information on the major customers and gross and net rental income of the Rental properties segment on asset by asset basis is given in Note 11. Asset LASS 1 was referred to the segment Rental Property Under Construction until completion of construction and start of leases in the second half of 2022, when it was reclassified to Rental Properties Segment.

3.2. Revenues of the segments

Information provided to the Management Committee is measured in a manner consistent with that in the consolidated financial statements. Revenue of the Group by operating activities for the periods is given below.

	for six months ended 30.06.2023			
in EUR	Rental properties	Other segments	Reconciliation adjustment: reclassification of discontinued operation	Total
Gross rental income	27,658,053	–	– 11,300,760	16,357,293
Other rental expenses	– 1,384,677	–	660,522	– 724,155
Net rental income	26,273,376	–	– 10,640,238	15,633,138
Interest income	184,493	890,827	– 178,378	896,942
Net foreign exchange loss	– 26,645,012	– 1,468,557	27,281,743	– 831,826
Revaluation of investment properties	– 19,950,658	–	– 25,816,820	– 45,767,478
Finance costs	– 9,297,959	– 134,078	3,394,966	– 6,037,071
Net gain from sale of subsidiaries	– 95,179,742	–	95,179,742	–
Income tax expense	– 1,849,635	– 203,009	7,175,842	5,123,198
Other expenses	– 3,074,408	– 1,686,245	595,984	– 4,164,669
Net profit from discontinued operations	–	–	– 96,992,841	– 96,992,841
Net profit/ (loss) for the period	– 129,539,545	– 2,601,062	–	– 132,140,607

	for six months ended 30.06.2022					
in EUR	Rental properties	Rental properties under construction	Residential properties for sale	Other segments	Reconciliation adjustment: reclassification of discontinued operation	Total
Gross rental income	34,958,452	–	–	–	– 22,371,037	12,587,415
Other rental expenses	– 1,638,586	–	–	–	579,723	– 1,058,863
Net rental income	33,319,866	–	–	–	– 21,791,314	11,528,552
Sales of properties	–	–	2,922,497	–	– 2,922,497	–
Net gain arising from the sales of properties	–	–	741,276	–	– 741,276	–
Interest income	374,608	–	153,767	–	– 522,677	5,698
Net foreign exchange loss	– 12,827,028	–	– 19,548	34,308,870	– 24,980,370	– 3,518,076
Revaluation of investment properties	– 90,056,503	–	–	–	107,133,621	17,077,118
Finance costs	– 14,367,653	– 34,161	– 728,534	– 547,348	6,249,661	– 9,428,035
Income tax expense	15,623,750	–	500,712	– 21,137	– 20,191,061	– 4,087,736
Other expenses	– 963,589	– 112,552	– 1,334,361	– 1,146,240	1,783,674	– 1,773,068
Net loss from discontinued operations	–	–	–	–	– 46,940,258	– 46,940,258
Net profit/ (loss) for the period	– 68,896,549	– 146,713	– 686,688	32,594,145	–	– 37,135,805

3.3. Assets and liabilities of the segments

The Management Committee also assesses the performance of operating segments based on the results of valuation of the respective assets. A summary of significant assets and liabilities is presented below.

	Assets and liabilities valuation as of 30.06.2023		
in EUR	Rental Properties	Other Segments	Total
Investment properties	851,984,566	–	851,984,566
Goodwill	23,952,472	–	23,952,472
Cash & cash equivalents	181,792,264	5,930,724	187,722,988
Other Assets	7,509,259	91,177,888	98,687,147
Total Assets	1,065,238,561	97,108,612	1,162,347,173
Total Liabilities	630,577,312	549,772	631,127,084

	Assets and liabilities valuation as of 31.12.2022			
in EUR	Rental Properties	Other Segments	Reconciliation adjustment: reclassification of disposal group	Total
Investment properties	1,382,115,509	–	– 486,996,302	895,119,207
Goodwill	66,763,368	–	– 42,810,896	23,952,472
Cash & cash equivalents	64,022,125	139,673,889	– 12,402,493	191,293,521
Other Assets	14,779,264	38,955,568	– 4,340,618	49,394,214
Assets classified as held for sale	–	–	546,550,309	546,550,309
Total Assets	1,527,680,266	178,629,457	–	1,706,309,723
Total Liabilities	1,179,213,065	532,142	–	1,179,745,207

3.4. Geographical information

Geographical information on Group’s revenues and significant non-financial assets is given below.

in EUR	Russia	Germany	Austria	Reclassification of segment Russia	Total
For six months ended 30.06.2023					
Gross rental income	11,300,759	7,560,297	8,796,996	– 11,300,759	16,357,293
Net rental income	10,640,238	7,212,714	8,420,424	– 10,640,238	15,633,138
Revenues of discontinued operations				10,640,238	10,640,238
As of 30.06.2023					
Carrying amount of:					
Investment property	–	345,332,437	506,652,128	–	851,984,566
Goodwill	–	13,524,840	10,427,633	–	23,952,472
Total significant assets	–	358,857,277	517,079,761	–	875,937,038

in EUR	Russia	Germany	Austria	Reclassification of segment Russia	Total
For six months ended 30.06.2022					
Gross rental income	22,371,038	7,236,088	5,351,327	– 22,371,038	12,587,415
Net rental income	21,791,316	6,853,535	4,675,017	– 21,791,316	11,528,552
Sales of residential and investment properties	2,922,497	–	–	– 2,922,497	–
Revenues of discontinued operations				24,713,813	24,713,813
As of 31.12.2022					
Carrying amount of:					
Investment property	486,996,418	367,532,437	527,586,770	– 486,996,418	895,119,207
Goodwill	42,810,896	13,524,840	10,427,633	– 42,810,896	23,952,472
Included in assets held for sale	–	–	–	529,807,314	529,807,314
Total significant assets	529,807,314	381,057,277	538,014,403	–	1,448,878,993

4. INVESTMENT PROPERTY

The balances and movements of investment property on a project and country basis, reconciliation of their carrying amounts to the fair values determined by the independent appraisal and descriptions of the properties are given in the tables below.

The fair value of the investment property in operation was determined based on an independent valuation prepared by PWC (German and Austrian properties) on 31 December 2022 and 30 June 2023 and DMA Valuation LLC (Russian properties) on 30 June 2022 and used for valuation of properties as of 31 December 2022 and at the date of disposal 19 April 2023. Refer to Note 5 for details of valuation.

4.1. The balances and movements of investment properties

	for six months ended 30.06.2023					
in EUR	QBC 4	QBC 1	QBC 2	QBC 7	LASS 1	Total Austria
Beginning of the period	113,800,000	56,120,000	187,040,000	21,200,000	149,426,770	527,586,770
Additions from subsequent expenditure	–	–	–	–	2,330,289	2,330,289
Revaluations	– 4,300,000	– 1,950,000	– 8,080,000	– 700,000	– 8,234,930	– 23,264,930
End of period	109,500,000	54,170,000	178,960,000	20,500,000	143,522,129	506,652,129

	for the year ended 31.12.2022					
in EUR	QBC 4	QBC 1	QBC 2	QBC 7	LASS 1	Total Austria
Beginning of the period	106,900,000	51,660,000	178,110,000	21,000,000	119,638,577	477,308,577
Additions from subsequent expenditure	–	120,474	677,983	–	19,101,130	19,899,587
Borrowing costs	–	–	–	–	2,406,932	2,406,932
Revaluations	6,900,000	4,339,526	8,252,017	200,000	8,280,131	27,971,674
End of period	113,800,000	56,120,000	187,040,000	21,200,000	149,426,770	527,586,770

	for six months ended 30.06.2023					
in EUR	City Gate	WLC	STRAL 3	SALZ 4	Total Germany	Total Group
Beginning of the period	132,300,000	91,700,000	94,900,000	48,632,437	367,532,437	895,119,207
Additions from subsequent expenditure	–	354,194	–	–	354,194	2,684,483
Other	– 23,432	– 28,215	–	–	– 51,647	– 51,647
Revaluations	– 6,676,568	– 6,625,979	– 5,900,000	– 3,300,000	– 22,502,547	– 45,767,477
End of period	125,600,000	85,400,000	89,000,000	45,332,437	345,332,437	851,984,566

	for the year ended 31.12.2022					
in EUR	City Gate	WLC	STRAL 3	SALZ 4	Total Germany	Total Group
Beginning of the period	129,800,000	91,600,000	95,000,000	49,400,000	365,800,000	1,336,060,767
Additions from subsequent expenditure	150,000	0	0	0	150,000	20,092,947
Borrowing costs	0	0	0	0	0	2,406,932
Disposals	0	0	0	0	0	– 6,621,623
Other	– 45,196	– 80,625	0	0	– 125,821	– 481,908
Revaluations	2,395,196	180,625	– 100,000	– 767,563	1,708,258	– 11,252,309
Reclassification to assets held for sale	0	0	0	0	0	– 486,996,302
Effect of translation to presentation currency	0	0	0	0	0	41,910,703
End of period	132,300,000	91,700,000	94,900,000	48,632,437	367,532,437	895,119,207

	for the year ended 31.12.2022						
in EUR	Berlin House	Geneva House	Polar Lights	Hermitage Plaza	Magistral'naya	Arbat	Total Russia
Beginning of the period	125,192,035	108,483,043	88,336,623	159,416,190	3,525,322	7,998,977	492,952,190
Additions from subsequent expenditure	7,733	0	35,627	0	0	0	43,360
Disposals	0	0	0	0	0	– 6,621,623	– 6,621,623
Other	– 10,886	– 28,100	– 149,716	– 145,315	– 22,070	0	– 356,087
Revaluations	– 5,110,309	– 2,202,036	– 12,810,735	– 18,265,703	– 202,196	– 2,341,262	– 40,932,241
Reclassification to assets held for sale	– 128,049,978	– 113,120,235	– 84,771,885	– 157,408,574	– 3,645,630	0	– 486,996,302
Effect of translation to presentation currency	7,971,405	6,867,328	9,360,086	16,403,402	344,574	963,908	41,910,703
End of period	–	–	–	–	–	–	–

Notes to the tables with the balances and movements of investment properties.

– For movement of investment property in Russia for the period 1 January 2023 – 19 April 2023 refer to Note 8.
– Revaluation adjustment in the tables above for the year ended 31 December 2022 is disclosed both for continuing and discontinued operations.
– Effect of currency fluctuation:The fair value of investment properties in Russia was determined by using US$-denominated discounted cash flows for Berlin House and Geneva House and RUB-denominated discounted cash flows for the rest investment properties. In 2022 year, total result of revaluation includes net loss from the effect of fluctuations of RUB (the functional currency of the Russian subsidiaries, holding the properties) over US$ (the currency of the appraised fair value) at Berlin House and Geneva House for EUR 8.05 million. The derived effect of Ruble fluctuations over US$ is set off with the effect of translation from functional to presentation currency for the purposes of the disclosure.
– Reconciliation of the revaluation in the tables in this Note and Note 8 (discontinued operations in the reporting period) to the statement of profit or loss and disclosure of the effect of currency fluctuation on a gross basis is presented below.

in EUR	for six months ended 30.06.2023		
	Total	Continuing operations	Discontinued operations
Net loss from revaluation of investment properties	– 45,767,478	– 45,767,478	–
Net gain due to effect of currency fluctuation on valuation of investment property	25,816,820	–	25,816,820
Total (loss)/gain on revaluation of investment property (gross)	– 19,950,658	– 45,767,478	25,816,820

in EUR	for the year ended 31.12.2022		
	Total	Continuing operations	Discontinued operations
For the period January - June 2022:	–		
Net gain/(loss) from revaluation of investment properties	– 20,368,835	17,077,118	– 37,445,953
Net loss due to effect of currency fluctuation on valuation of investment property	– 69,687,668	–	– 69,687,668
Total (loss)/gain on revaluation of investment property (gross)	– 90,056,503	17,077,118	– 107,133,621
For the period July - December 2022:			
Net gain/(loss) from revaluation of investment properties	9,116,528	12,602,815	– 3,486,287
Net loss due to effect of currency fluctuation on valuation of investment property	61,633,505	–	61,633,505
Total gain/(loss) on revaluation of investment property (gross)	70,750,033	12,602,815	58,147,218

– The Group capitalized in the cost of rental property under construction LASS 1 interest incurred in connection to the borrowing of funds directly attributable to its acquisition and construction. The capitalization ceased after LASS 1 was put into operation in the fourth quarter 2022.

4.2. Reconciliation of market value to carrying amount

Reconciliation of market (fair) value of each property to its carrying amount in the statement of financial position as of 30 June 2023 and 31 December 2022 is presented below.

	as of 30.06.2023		
in EUR	Market value as estimated by the external valuer	Deduct receivable on financial guarantees of sellers of property recognised separately (Note 6.2)	Carrying amount for financial reporting purposes
City Gate	125,600,000	–	125,600,000
WLC	85,400,000	–	85,400,000
STRAL 3	89,000,000	–	89,000,000
SALZ 4	46,200,000	– 867,563	45,332,437
QBC 4	109,500,000	–	109,500,000
QBC 1	54,170,000	–	54,170,000
QBC 2	178,960,000	–	178,960,000
QBC 7	20,500,000	–	20,500,000
LASS 1	145,300,000	– 1,777,871	143,522,129
Total	854,630,000	– 2,645,434	851,984,566

	as of 31.12.2022		
in EUR	Market value as estimated by the external valuer	Deduct receivable on financial guarantees of sellers of property recognised separately (Note 6.2)	Carrying amount for financial reporting purposes
City Gate	132,300,000	–	132,300,000
WLC	91,700,000	–	91,700,000
STRAL 3	94,900,000	–	94,900,000
SALZ 4	49,500,000	– 867,563	48,632,437
QBC 4	113,800,000	0	113,800,000
QBC 1	56,120,000	0	56,120,000
QBC 2	187,040,000	0	187,040,000
QBC 7	21,200,000	0	21,200,000
LASS 1	151,940,000	– 2,513,230	149,426,770
Total	898,500,000	– 3,380,793	895,119,207

Guarantees given by the sellers of properties are accounted for and presented in the statement of financial position separately as receivables. The carrying amount of the guarantees is deducted from market value of the investment property to avoid double count.

4.3. General information about investment property

General information about each property is disclosed in Note 23.

5. FAIR VALUE MEASUREMENT – INVESTMENT PROPERTY

5.1. Valuation method

Valuation of real estate assets involves a significant number of assumptions and judgement calls by the valuers. These variables include but are not limited to: future rent and sale price levels, amount of time needed to rent or sell space, time needed to deliver new construction, best and highest use of an asset or space in an asset, and exchange rates. Varying any of these factors can have a material impact on valuations, and variations in a number of these factors at once can have a significant effect.

When possible, valuers make their assumptions based on available evidence. When such evidence is lacking, which is often the case in the Russian market, assumptions are based on the experience and judgement of the valuer.

Every reporting date the fair value of each Investment Property - except Investment Property under construction and when the fair value is readily available as the acquisition completed near balance sheet date - is determined by independent real estate valuation experts using recognised valuation techniques where the Discounted Cash Flow Method (DCF) within the income approach is used.

The determination of the fair value of Investment Property requires the use of estimates such as future cash flows from assets (including lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. Future revenue streams, inter alia, comprises contracted rent (passing rent) and estimated rental income (ERV) after the contract period.

In estimating ERV, the potential impact of future lease incentives to be granted to secure new contracts is taken into consideration. All these estimates are based on local market conditions existing at the reporting date.

For all investment properties that are measured at fair value, the current use of the property is considered the highest and best use.

Techniques used for valuing investment property
The Discounted Cash Flow Method involves the projection of a series of periodic cash flows either to an operating property or a development property. To these projected cash flow series, an appropriate, market-derived discount rate is applied to achieve an indication of the present value of the income stream associated with the property.

The calculated periodic cash flow is typically estimated as gross rental income less vacancy and collection losses and less operating expenses/outgoings and investment costs. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the market value of the property.

Investment properties fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of investment properties by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets;
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As of 30 June 2023 and 31 December 2022, the Group held the investment properties carried at fair value determined by the Level 3 technique. During six months ending 30 June 2023 and the year ending 31 December 2022, there were no transfers to and from Level 1&2 fair value measurements.

5.2. Summary of valuation assumptions and valuation techniques used to derive Level 3 fair value

The table below presents the following for each investment property:
- The fair value measurement at the end of the reporting period in the currency of valuation;
- A description of the valuation techniques applied;
- Quantitative information about significant unobservable inputs used in the fair value measurement.

Property	Fair value as of 30.06.2023	Valuation technique	Key unobservable inputs	Range (Weighted average), per sqm p.a.
			ERV	EUR 294 - EUR 300 (EUR 312)
			Discount rate	5.00%
City Gate	125,600,000	DCF	Capitalisation rate	4.35%
			ERV	EUR 240 - EUR 288 (EUR 270)
			Discount rate	5.10%
Work Life Center	85,400,000	DCF	Capitalisation rate	4.20%
			ERV	EUR 217 - EUR 235 (EUR 230)
			Discount rate	4.55%
QBC 4	109,500,000	DCF	Capitalisation rate	3.75%
			ERV	n.a.
			Discount rate	6.75%
STRAL 3	89,000,000	DCF	Capitalisation rate	5.00%
			ERV	n.a.
			Discount rate	6.90%
SALZ 4	46,200,000	DCF	Capitalisation rate	5.15%
			ERV	EUR 223 - EUR 269 (EUR 217)
			Discount rate	4.75%
QBC 1	54,170,000	DCF	Capitalisation rate	3.95%
			ERV	EUR 222 - EUR 241 (EUR 217)
			Discount rate	4.75%
QBC 2	178,960,000	DCF	Capitalisation rate	3.95%
			ERV	EUR 1.811 per unit
			Discount rate	4.80%
QBC 7	20,500,000	DCF	Capitalisation rate	4.00%
			ERV	EUR 200 - EUR 301 (EUR 211)
			Discount rate	5.15%
LASS 1	145,300,000	DCF	Capitalisation rate	4.15%

Property	Fair value as of 31.12.2022	Valuation technique	Key unobservable inputs	Range (Weighted average), per sqm p.a.
			ERV	EUR 294 - EUR 300 (EUR 311)
			Discount rate	4.70%
City Gate	132,300,000	DCF	Capitalisation rate	4.05%
			ERV	EUR 240 - EUR 288 (EUR 270)
			Discount rate	4.90%
Work Life Center	91,700,000	DCF	Capitalisation rate	3.90%
			ERV	EUR 217 - EUR 235 (EUR 230)
			Discount rate	4.35%
QBC 4	113,800,000	DCF	Capitalisation rate	3.50%
			ERV	n.a.
			Discount rate	6.50%
STRAL 3	94,900,000	DCF	Capitalisation rate	4.75%
			ERV	n.a.
			Discount rate	6.60%
SALZ 4	49,500,000	DCF	Capitalisation rate	4.85%
			ERV	EUR 223 - EUR 269 (EUR 217)
			Discount rate	4.35%
QBC 1	56,120,000	DCF	Capitalisation rate	3.50%
			ERV	EUR 222 - EUR 241 (EUR 217)
			Discount rate	4.35%
QBC 2	187,040,000	DCF	Capitalisation rate	3.50%
			ERV	EUR 1.811 per unit
			Discount rate	4.60%
QBC 7	21,200,000	DCF	Capitalisation rate	3.75%
			ERV	EUR 192 - EUR 300 (EUR 205)
			Discount rate	4.75%
LASS 1	151,940,000	DCF	Capitalisation rate	3.75%

5.3. Sensitivity analysis

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy of the entity's portfolios of investment property are:

- ERV
- Discount rate
- Capitalisation rate

Significant increases/(decreases) in the ERV in isolation would result in a significantly higher/(lower) fair value measurement. Significant increases/(decreases) in the discount rate/capitalisation rate in isolation would result in a significantly lower/(higher) fair value measurement. The table below presents the sensitivity of the valuation of the German and Austrian properties to changes in the most significant unobservable inputs used in the fair value measurement categorized within Level 3. The comparative informations is restated as management identified unintentional miscalculation in the data (Decrease in ERV: greater impact by EUR 3 592 926; Increase in discount rate: greater impact by EUR 2 634 047; Increase in capitalization rate: weaker impact by EUR 1 735 396).

30.06.2023	Effect on fair value	
in EUR	Sensitivity used	Effect of value of rental properties
Decrease in ERV	5%	– 25,591,885
Increase in discount rate	25 bps	– 19,253,784
Increase in capitalisation rate	25 bps	– 31,279,923

31.12.2022	Effect on fair value	
in EUR	Sensitivity used	Effect of value of rental properties
Decrease in ERV	5%	– 27,603,620
Increase in discount rate	25 bps	– 21,231,134
Increase in capitalisation rate	25 bps	– 36,803,811

5.4. Valuation of investment properties of the disposal group

As at the date of disposal, 19 April 2023, and 31 December 2022, the disposal group includes all investment properties located in Russia: Berlin House, Geneva House, Hermitage Plaza, Polar Lights and Magistral'naya. They have been accounted for at fair value determined by independent appraisal every half year. On 1 November 2022, the properties were reclassified to assets held for sale in the statement of financial position (in total with liabilities and other assets, they constitute disposal group) and continued to be accounted at fair value determined by the appraisal as of 30 June 2022. The Group did not recognize any additional revaluation adjustment for the investment properties after 30 June 2022, except for the effect of foreign exchange differences for the properties with US$-denominated rental cash flows and, as a consequence, US$-denominated fair value (Berlin House and Geneva House). Investment property Arbat 39, owned by entity Redhill Investment Ltd. is not included in the disclosures in Note 5.4, as the entity, that was also part of the disposal group, was sold on 12 December 2022 , as presented in Note 4.1.

The table below provides summary of the valuation technique and assumptions applied to determine fair value of the properties in valuation performed by appraisals as of 30 June 2022 and relevant for 19 April 2023.

Property	Fair value	Valuation technique	Key unobservable inputs	Range (Weighted average), per sqm p.a.
			ERV	US$ 700- US$ 2,864 (US$ 1,276)
			Discount rate	12.25%
Berlin House	US$ 136,150,000	DCF	Capitalisation rate	9.00%
			ERV	US$ 700 - US$ 2,800 (US$ 875)
			Discount rate	12.25%
Geneva House	US$ 120,560,000	DCF	Capitalisation rate	9.00%
			ERV	RUB 1,594 - RUB 64,841 (RUB 21,903)
			Discount rate	14.75%
Polar Lights	RUB 6,597,430,000	DCF	Capitalisation rate	10.00%
			ERV	RUB 2,317 - RUB 129,360 (RUB 32,017)
Hermitage			Discount rate	13.75%
Plaza	RUB 12,247,150,000	DCF	Capitalisation rate	9.25%
			ERV	RUB 13,900 (RUB 13,900)
			Discount rate	16.50%
Magistral'naya	RUB 284,320,000	DCF	Capitalisation rate	11.00%

The fair value was determined using Level 3 technique. The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy of the entity's portfolios of investment property are:

- ERV
- Discount rate
- Capitalisation rate

Significant increases/(decreases) in the ERV in isolation would result in a significantly higher/(lower) fair value measurement. Significant increases/(decreases) in the discount rate/capitalisation rate in isolation would result in a significantly lower/(higher) fair value measurement.

The sensitivity of the valuation of the investment properties of the disposal group to changes in the most significant unobservable inputs used in the fair value measurement categorized within Level 3 is given in the table below. The RUB amounts are translated to EUR and US$ at rates as of 19 April 2023.

30.06.2022 & 31.12.2022 & 19.04.2023

in EUR	Sensitivity used	Effect on value of rental properties Russia
Decrease in ERV	10%	– 35,303,972
Increase in discount rate	200 bps	– 30,444,582
Increase in capitalisation rate	200 bps	– 51,081,088

Reconciliation of market (fair) value of each property to its carrying amount in the statement of financial position as of 31 December 2022 and as of 19 April 2023 is presented below.

in EUR	Market value as estimated by the external valuer as of 30 June 2022 at rates on 19 April 2023	Add land lease obligation recognised separately (in liabilities directly associated with assets classified as held for sale)	Other movements during 1 July 2022 - 19 April 2023, net	Carrying amount for financial reporting purposes as of 19 April 2023
Berlin House	123,913,481	285,372	– 591	124,198,262
Geneva House	109,724,636	–	22,718	109,747,354
Polar Lights	73,916,809	–	– 48,216	73,868,593
Hermitage Plaza	137,215,590	–	– 61,048	137,154,542
Magistral'naya	3,185,487	–	– 13,904	3,171,583
Total	447,956,003	285,372	– 101,041	448,140,334

in EUR	Market value as estimated by the external valuer as of 30 June 2022 at rates on 31 December 2022	Add land lease obligation recognised separately (in liabilities directly associated with assets classified as held for sale)	Other movements during 1 July 2022 - 31 December 2022, net	Carrying amount for financial reporting purposes as of 31 December 2022
Berlin House	127,762,584	285,372	2,053	128,050,009
Geneva House	113,132,994	–	– 12,759	113,120,235
Polar Lights	84,826,584	–	– 54,653	84,771,931
Hermitage Plaza	157,467,969	–	– 59,356	157,408,613
Magistral'naya	3,655,650	–	– 10,020	3,645,630
Total	486,845,781	285,372	– 134,735	486,996,418

6. LOANS & ACCOUNTS RECEIVABLE

in EUR	30.06.2023	31.12.2022
Non-current loans and accounts receivable		
Loans given to and receivables from the former Russian segment	90,349,884	38,533,530
Receivable from sellers of investment properties	1,388,819	1,910,075
Eurobonds	1,544,892	1,543,565
Total	93,283,595	41,987,170
Current accounts receivable		
Rental receivable	2,246,466	2,827,065
Receivable from sellers of investment properties	1,256,615	1,470,718
Receivable from the former Russian segment	481,542	–
Other receivable	72,116	202,780
Total	4,056,739	4,500,563
Total accounts receivable	97,340,334	46,487,733

6.1. Loans given to and receivables from the former Russian segment

Loans given and receivables from the former Russian segment were recognized in the consolidated statement of financial position upon completion of the sale of disposal group. Refer to note 8.4.

Breakdown of non-current part of these loans and receivables with the commentary is given below.

	30.06.2023	31.12.2022
Non-current loans given and receivables from the former Russian segment		
Loans given to Redhill Investment Limited	38,298,008	61,137,049
Loans given to Lenbury Enterprises Limited	31,554,132	–
Receivable from Capital Estate Group Limited	1,784,775	–
Receivable from Lenbury Enterprises Limited	36,696,896	–
Total, gross basis	108,333,811	61,137,049
Less: impairment allowance	– 17,983,926	– 22,603,519
Total	90,349,885	38,533,530

Loan given to Redhill Investment Limited (“Redhill”) represents loan receivable, 4.25%, EUR-denominated, repayable by 31 December 2032 with no specific payment schedule. As of 31.12 2022, there were several loans to Redhill and respective interest receivable, denominated in US$ and RUB, repayable by 31 December 2032, no specific schedule, with interest rates 10.7% and 14.45%. In the reporting period, some part of the loan was repaid. On 30 June 2023, the parties agreed to convert remaining amount into EUR.

Loan given to Lenbury Enterprises Limited (“Lenbury”) for the amount EUR 31.14 million plus interest receivable EUR 0.41 million is EUR-denominated, due for payment by 31 December 2032, no specific schedule, 3.0% p.a.

Receivable from Capital Estate Group Limited (“CEG”) arisen in 2022, when CEG was subsidiary of EPH, interest free, repayable on 30 September 2027.

Receivable from Lenbury arose on sale of shares in the subsidiaries of the disposal group by EPH to Lenbury, executed in 2022, when Lenbury was part of the Group. Receivable is interest-free, US$-denominated (US$ 46.32 million at the date of recognition in the consolidated accounts and as of 30 June 2023) with maturity on 31 December 2032 at the latest without specific payment schedule. At recognition, the Company recognized fair value adjustment on the instrument for the amount EUR 6.27 million representing primarily effect of the discounting of the nominal amount of the receivable at market interest rate.

Loans given to and receivables from Lenbury are secured with the shares and investment property of its subsidiaries. The changes in the balance of non-current loans and receivables from the former Russian segment are given in the table below.

	for six months ended		
	30.06.2023	30.06.2022	31.12.2022
Balance at the beginning of the period	38,533,530	–	–
Recognition in the consolidated accounts at the date of sale of subsidiary			
Loan to Redhill	–	–	61,002,255
Loan to Lenbury	31,148,750	–	–
Loans to CEG	1,760,655	–	–
Receivable from Lenbury	42,264,182		–
FV adjustment to the receivable	– 6,273,690		
Interest accrued	890,828	–	134,794
Repayment of loans given to Redhill	– 22,340,664	–	–
Foreign exchange difference	– 253,299	–	–
Loss allowance release/(charge)	4,619,593	–	– 22,603,519
Balance at the end of the period	90,349,885	–	38,533,530

Current receivable from the former Russian segment (EUR 0.48 million) arose in the periods before the sale of the segment as a result of miscellaneous payments made by the parent company EPH Plc. on behalf of the segment's subsidiaries for consulting and other services rendered to them by third parties. The receivable had been eliminated as inter-company balance previously and was recognized in the consolidated accounts upon disposal of the respective subsidiaries.

The loans and receivables from the former Russian segment are subsequently measured at amortised cost, using effective interest method, less impairment allowance for expected credit losses.

Loss allowance

At the reporting date, despite the fact that the financial position of the borrowers appears stable (no overdue payments, problematic restructurings, stable operating cash flows), taking into account the current macroeconomic situation in the Russian Federation, all of the loans and receivables from the former Russian segment have been determined for Stage 2 of credit risk. As of 31 December 2022, the loan receivable from Redhill was determined at Stage 2 of credit risk. The loss allowance as of 30 June 2023 was determined in the amount EUR 17.98 million (31 December 2022: EUR 22.6 million). Refer to Note 2.7.2.

6.2. Receivable from the sellers of investment properties

Receivable from the sellers of investment properties represent financial guarantees provided by the sellers of the properties acquired in 2020 year upon finalization of settlements in 2022. The guarantees are measured at fair value on a recurring basis, level 3, on 30 June 2023 and 31 December 2022.

in EUR	30.06.2023	31.12.2022
Non-current		
Sellers of property SALZ 4	867,563	867,563
Sellers of property Lass 1	521,256	1,042,512
	1,388,819	1,910,075
Current		
Sellers of property Lass 1	1,256,615	1,470,718
	1,256,615	1,470,718
Total current and non-current	2,645,434	3,380,793

The amount of the receivable from Lass 1, conditional to the vacancy area level, was decreased as a result of better performance of Lass 1.

6.3. Eurobonds

Eurobonds of different issues are owned by subsidiary SA3 (property NHow). Maturity is 2026 – 2028 year, nominal coupon rates are 2.45 – 3.75%, effective rates are 0.42 – 1.05%. The instruments are measured at fair value through other comprehensive income on a recurring basis, level 1, both on 30 June 2023 and 31 December 2022.

7. CASH AND CASH EQUIVALENTS

9. CASH AND CASH EQUIVALENTS

in EUR	30.06.2023	31.12.2022
Cash at bank	186,592,202	190,161,794
Cash and cash equivalents available	186,592,202	190,161,794
Bank overdrafts	– 632	– 417
Total cash and cash equivalents available with bank overdrafts	186,591,570	190,161,377
Restricted cash: tenants deposits	997,215	998,156
Restricted cash: escrow accounts	133,571	133,571
Total cash and cash equivalents with bank overdrafts	187,722,356	191,293,104

Cash in Euro on escrow account at notary is kept for settlement of remaining liabilities on acquisition of QBC 1,2,7 projects.
Bank overdraft is presented in line Current Borrowings in the consolidated statement of financial position.

8. DISCONTINUED OPERATION

8.1. Description

On 1 November 2022, shareholders granted authority to the Board of Directors to sell the entire Russian portfolio of EPH Group (six investment properties and Arbat residential apartments) including their Russian, Cyprus and German holding companies within the framework of a management buy-out and to structure the respective transactions at terms defined by the Board of Directors and which shall be in the best interest for the Company and its shareholders. The respective approval was published on the Company's web-site on that date.

Following the resolution of shareholders, as a preparatory step for the management buy-out, the Company accumulated, via inter-company sale, on the balance sheet of subsidiary Lenbury the shares of the respective subsidiaries holding the Russian portfolio (except for Redhill Investment Ltd.): the Cyprus subsidiaries holding Russian subsidiaries with properties in Russia, and participatory interest in German entities directly owning a property in Russia. The full list of intermediary parents and their subsidiaries that substiture the disposal group is given below (with 100% nominal and effective ownership by the Group as of 31 December 2022 and 19 April 2023, except for Redhill Investment Limited).

Intermediary parent	Incorporated in	Subsidiary	Incorporation of subsidiary	Property	Commentary
Lenbury Enterprises Limited	Nicosia, Cyprus	see commentary	see commentary	n/a	Entity holds directly or indirectly 100% shares in the entities down below, except for Redhill
Housefar Limited	Nicosia, Cyprus	Inspetstroy LLC	Moscow, Russian Federation	Magistral'naya	
Idelisa Limited	Limassol, Cyprus	Philadelphia LLC	Moscow, Russian Federation	n/a	Philadelphia LLC owned land plot Scandinavia, that was sold in 2020
Redhill Investment Limited	Limassol, Cyprus	n/a	n/a	Multi-use Complex Arbat 24&29	Entity was sold on 12 December 2022. Entity operates with branch in Russia
Connecta GmbH & Co. KG	Munich, Germany	n/a	n/a	Berlin House	Entity operates with branch in Russia
EPH Real Estate Limited	Nicosia, Cyprus	EPH One LLC	Moscow, Russian Federation	Geneva House	
PNL Media Limited	Nicosia, Cyprus	Tengri LLC	Moscow, Russian Federation	Polar Lights	
Capital Estate Group Limited	Nicosia, Cyprus	Tizpribor JSC	Moscow, Russian Federation	Hermitage	
Tizpribor JSC	Moscow, Russia	TP Invest LLC	Moscow, Russian Federation	n/a	
TP Invest LLC	Moscow, Russia	Primary TIZ Ltd.	Limassol, Cyprus	n/a	Primary TIZ Ltd. has been SPV for inter-company finance
EPH One LLC (25%); JSC Tizpribor (25%); Tengri LLC (50%)	Moscow, Russia	Vox Investment Ltd.	Mauritius	n/a	Vox Investment Ltd. is a SPV, established in 2022; no operations in 2022 and in the reporting period

As a partial payment of consideration for the above acquisition Lenbury accepted the debt of the Company under the notes issued in the past years to the Company's shareholders in the amount of EUR 426.1 million – via replacement of the Company's notes by Lenbury's notes. The remaining part of consideration in the amount of USD 46.32 million is payable over 10 years with no specified schedule. For avoidance of doubt, as of 31 December 2022, the consideration payable is inter-company balance, was eliminated on consolidation.

On 19 April 2023, the Company sold 100% of shares in Lenbury under a sale and purchase agreement (the 'SPA') with a third party company owned by the Russian management of the Group. The SPA provides for the consideration of US$ 15,000. As a part of the sale, the buyers assumed the Group's liabilities under the notes issued as well as Lenbury's liability to repay the deferred consideration for the acquisition of Russian portfolio as described above. Until full repayment of the deferred consideration, the shares of the subsidiaries and Lenbury itself are pledged and the Russian properties are mortgaged in favour of the Company. The associated assets and liabilities of the subsidiaries, that were disposed under the SPA, were presented as held for sale in the consolidated statement of financial position as of 31 December 2022.

Redhill Investment Ltd., a Cyprus company owning two mixed-use properties in Moscow (residential and commercial) was sold to a third party owned by the Russian management on 12 December 2022 under a separate SPA.

All subsidiaries for sale under the SPA and the disposed entity Redhill are reported as a discontinued operation in the consolidated statement of profit or loss. Financial information relating to the discontinued operation for six months ended 30 June 2023 (the transactions until the date of disposal, 19 April 2023) and 2022 is presented below.

8.2. Financial performance and cash flow information

The information in the tables below is presented excluding inter-company transactions.

	for the period 1 January 2023 - 19 April 2023	for six months ended 30.06.2022
Rental income		
Gross rental income	11,300,760	22,371,037
Service charge income	2,505,792	4,460,034
Property operating and maintenance expenses	– 3,166,314	– 5,039,757
Net rental income	10,640,238	21,791,314
Gains and losses arising from the sales of properties		
Sales of properties	–	2,922,497
Cost of sales	–	– 2,181,221
Net gain arising from the sales of properties	–	741,276
Other expenses	– 628,164	– 2,780,510
Revaluation of investment properties	25,816,820	– 107,133,621
Other income	32,180	996,836
Net operating (loss)/profit from discontinued operation	35,861,074	– 86,384,705
Interest income	178,378	522,677
Finance cost	– 3,394,966	– 6,249,661
Net foreign exchange gain/(loss)	– 27,281,743	24,980,370
Profit/(loss) before tax	5,362,743	– 67,131,319
Income taxes	– 7,175,842	20,191,061
Net loss after income tax of discontinued operations	– 1,813,099	– 46,940,258
Loss on sale of the subsidiary after income tax	– 95,179,742	–
Net loss for the period from discontinued operations	– 96,992,841	– 46,940,258
(Loss)/gain on currency translation differences	– 25,888,127	160,573,687
Reclassification of currency translation differences to profit or loss upon disposal of discontinued operation	162,743,942	–
Other comprehensive gain from discontinued operation	136,855,815	160,573,687

in EUR	for the period 1 January 2023 - 19 April 2023	for six months ended 30.06.2022
Net cash outflow for operating activities	– 8,145,109	5,762,595
Net cash outflow for investing activities	– 1,388,934	– 18,821
Net cash inflow from financing activities	3,720,463	–
Net (decrease)/increase in cash generated by the discontinued operations	– 5,813,580	5,743,774

8.3. Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were classified as held for sale in relation to the discontinued operation as of 31 December 2022 and at the date of disposal 19 April 2023. The balances are given excluding inter-company balances.

in EUR	19.04.2023	31.12.2022
Assets classified as held for sale		
Investment properties	448,140,334	486,996,302
Goodwill	41,521,136	42,810,896
Loans and accounts receivable	16,977,921	1,964,538
Other assets	2,399,062	2,376,080
Cash & cash equivalents	6,588,905	12,402,493
Total assets of the disposal group held for sale	515,627,359	546,550,309
Liabilities directly associated with assets classified as held for sale		
Borrowings*	409,902,969	433,528,397
Deferred tax liabilities	79,306,083	85,486,000
Accounts payable and accrued expenses	2,972,210	2,959,307
Other liabilities	18,082,257	21,435,104
Total liabilities of the disposal group held for sale	510,263,520	543,408,809
Net assets/(liabilities) of the disposal group	5,363,839	3,141,501

*The amount of borrowings includes overdraft of EUR 5 (31.12.2022: EUR 430).

The details of changes in the balances of investment properties on a project basis are presented below:

	for the period 1 January - 19 April 2023					
in EUR	Berlin House	Geneva House	Polar Lights	Hermitage Plaza	Magistral'naya	Total Russia
Beginning of the period	128,049,978	113,120,235	84,771,885	157,408,574	3,645,630	486,996,302
Additions from subsequent expenditure	–	46,723	2,297	4,267	–	53,287
Other	– 2,776	– 11,110	– 2,898	– 14,378	– 5,629	– 36,791
Revaluations	–	–	–	–	–	–
Effect of translation to presentation currency	– 3,848,940	– 3,408,494	– 10,902,691	– 20,243,921	– 468,418	– 38,872,464
End of period	124,198,262	109,747,354	73,868,593	137,154,542	3,171,583	448,140,334

8.4. Details of sale of Russian segment

in EUR	19.04.2023
Consideration received or receivable:	
Cash	13,775
Total disposal consideration	13,775
Carrying amount of net liabilities sold	67,550,425
Gain on sale before income tax and reclassification of CTA	67,564,200
Reclassification of CTA	– 162,743,942
Income tax expense	–
Loss on sale after income tax	– 95,179,742

The carrying amount of assets and liabilities, including balances with the Group, as of the date of sale (19 April 2023) were as follows:

in EUR	19.04.2023
Investment property	448,140,334
Goodwill	41,521,136
Loans given to EPH Group	2,831,177
Loans and accounts receivable	16,977,921
Other assets	2,399,062
Cash & cash equivalents	6,588,905
Total assets	518,458,536
Borrowings	409,902,969
Borrowings and payables owed to EPH Group	75,745,441
Payables	21,054,467
Deferred tax liability	79,306,083
Total liabilities	586,008,961
Net liabilities	– 67,550,425
Net liabilities excluding balances with the Group	5,363,839

Upon disposal, the Group recognized in its consolidated statement of financial position remaining receivables and payables from/to the segment, previously eliminated:

- Deferred consideration receivable on sale of shares in discontinued operations to Lenbury (Note 7.1) for the amount EUR 42.61 million, loan receivable for the amount EUR 33.13 million, other miscellanious receivables of EUR 0.5 million. Refer to Note 6.1 for further detail;
- Borrowings from the subsidiaries of the segment for the amount EUR 2.8 million (refer to Note 9.3).
- The balances with the Group, described above, are presented in the table above in line Borrowings and payables owed to EPH Group and Loans given to EPH Group, accordingly.

Loss on disposal amounted to EUR 95.2 million, net of negative effect from reclassification of accumulated currency translation differences attributable to the entity from CTA reserve for the amount EUR 162.74 million.

9. BORROWINGS

in EUR	30.06.2023	31.12.2022
Borrowings (non-current)		
Bonds issued	45,250,000	167,425,000
Bank loans	115,142,615	166,279,021
Other loans	10,258,104	10,181,933
Total	170,650,719	343,885,954
Borrowings (current)		
Bonds issued	367,746,750	247,455,420
Notes payable	–	–
Bank loans	51,564,220	987,346
Other loans	3,314,830	556,258
Bank overdrafts	632	417
Total	422,626,432	248,999,441
Total Borrowings	593,277,151	592,885,395

9.1. Bonds

Bonds are measured at amortised cost using the effective interest rate (EIR). Amortised cost is calculated by taking into account transaction costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.
The information on all four bond placements performed by the Company is presented in the table:

	Nominal value, EUR	Nominal interest rate	Interest payment date	Maturity date
ISIN CH1177844367 (until April 2022 CH0249865368)	126,700,000	2.0%	March and September	Sep 2023
ISIN CH1177348278 (until April 2022 CH0254468074)	117,650,000	2.0%	March and September	Sep 2023
ISIN CH1177348302 (until April 2022 CH0283169123)	122,175,000	2.25%	June and December	May 2024
ISIN CH1177348310 (until April 2022 CH0305765015)	45,250,000	2.25%	June and December	Dec 2024
Total	411,775,000			

9.2. Bank loans

in EUR					30.06.2023	31.12.2022
Non-current bank loans	currency of issue	nominal interest	repayment date	Collateral		
UniCredit - QBC4 loan	EUR	3M EURIBOR +1,125%	April 2024	(1)	–	50,684,220
UniCredit - QBC1&2 loans	EUR	3M EURIBOR +1,3%	Dec. 2030	(2)	99,693,865	99,666,051
UniCredit - SALZ4 loan	EUR	1M EURIBOR +1,05%	Dec. 2029	(3)	15,448,750	15,928,750
Total					115,142,615	166,279,021
Current bank loans						
UniCredit - QBC4 loan	EUR	3M EURIBOR +1,125%	April 2024	(1)	50,684,220	–
UniCredit - SALZ4 loan	EUR	1M EURIBOR +1,05%		(3)	880,000	987,346
Total					51,564,220	987,346

Bank loans consist of secure EUR-denominated loans of European entities of the Group holding the properties QBC 4, QBC 1 & 2 and SALZ 4 from Unicredit bank.

The loans are secured as follows:

(1) The loan is secured by 100% shares in subsidiary QBC Immobilien GmbH&Co Delta KG that holds investment property.
(2) The loans given to QBC 1&2 are secured with shares of QBC Immobilien GMBH & CO Omega KG , QBC Immobilien GMBH & CO Alpha KG and the property QBC 1&2 (land and building) and all current and future rental receivables of these properties.
(3) The loan is secured with the property SALZ 4 (land and building) as well as all its current and future rental receivables.

9.3. Other loans

Other loans comprise of the following liabilities:

- Loans from non-controlling shareholders of German subsidiaries of the Group (WLC, City Gate and SA3 Media) with the total carrying amount of EUR 10.75 million, of which EUR 0.49 million is short-term (31 December 2022: EUR 10.74 million, of which EUR 0.56 million is short-term). Interest rates are fixed at 4.26% and 4.5%. Loans are repayable in December 2025 (EUR 4.26 million), October 2026 (EUR 1.30 million) and December 2031 (EUR 4.70 million).
- Loans from the former subsidiaries EPH Real Estate Limited (EUR 2.53 million) and PNL Media Limited (EUR 0.30 million) of Russian segment, that were sold on 19 April 2023 (refer to Note 8.4). Loans have maturity in September and Octorber 2023, denominated in EUR and bear interest of 0.39% and 0.25% p.a. accordingly.

9.4. Changes in the balance of borrowings

The changes in the balance of borrowings, excluding overdraft, are given below:

in EUR	Note	Bonds issued	Notes payable	Bank & other loans	Total
Balance as of 1 January 2023		414,880,420	426,100,000	185,432,954	1,026,413,374
Cash flows, net		– 6,210,701	– 30,072,917	1,655,933	– 34,627,685
Non-cash movements:		–	–	–	–
Interest accruals		4,327,031	3,292,075	1,621,602	9,240,708
Foreign exchange difference		–	33,569,587	466,337	34,035,924
Currency translation adjustment (CTA)		–	– 33,569,587	– 1,134,275	– 34,703,862
Recognition of loans from the former subsidiaries (ex-inter-company) at disposal	6, 8.4	–	–	2,821,024	2,821,024
Derecognition of borrowings of the former subsidiaries at disposal	8.4	–	– 399,319,158	– 10,583,806	– 409,902,964
Balance as of 30 June 2023		412,996,750	–	180,279,769	593,276,519
including:					
borrowings of disposal group		–	–	–	–
borrowings of continuing group		412,996,750	–	180,279,769	593,276,519

in EUR	Bonds issued	Notes payable	Bank & other loans	Total
Balance as of 1 January 2022	404,515,673	323,100,066	206,137,697	933,753,436
Cash flows, net	– 10,741,422	102,331,864	– 1,749,421	89,841,021
Non-cash movements:				
Interest accruals	8,876,384	5,580,569	2,269,691	16,726,644
Derecognition of old liability	– 411,405,316	–	–	– 411,405,316
Recognition of new liability	411,775,000	–	–	411,775,000
Foreign exchange difference	9,976,431	–	–	9,976,431
Currency translation adjustment (CTA)	–	–	2,420,306	2,420,306
Balance as of 30 June 2022	412,996,750	431,012,499	209,078,273	1,053,087,522

Interest accruals for six months ended 30 June 2022 include both interest recognized as finance cost in the consolidated statement of profit or loss (EUR 4.0 million) and interest capitalized in the value of the investment property under construction (EUR 1.6 million). Refer to Notes 4.1 and 15.

Cash flows, net, presented in the table, do not include interest paid on cash balances and other charges of banks for the amount EUR 0.19 million (six months 2022: EUR 0.56 million).

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities are presented below:

in EUR	30.06.2023	31.12.2022
Non-current liabilities		
Tenant deposits	1,064,172	1,064,153
Deferred revenue	323,968	319,053
Total	1,388,140	1,383,206
Current liabilities		
Payables for acquired properties at FVTPL	133,571	133,571
Trade payables and accrued expenses	1,444,817	1,648,798
Payables to construction suppliers	2,107,374	2,852,427
Payables and accrued expenses with related parties	171,274	272,790
Deferred revenue	26,099	42,481
Total	3,883,135	4,950,067
Total accounts payable and other liabilities	5,271,275	6,333,273

11. NET RENTAL INCOME

11.1. Rental income

Breakdown of Rental income on an asset by asset basis is presented below:

	for six months ended 30.06.2023						
in EUR	QBC 4	QBC 1	QBC 2	QBC 7	LASS 1	Reconciliations (inter-company)	Total Austria
Gross rental income	2,063,813	982,887	3,384,834	669,933	1,941,041	– 245,512	8,796,996
Service charge income	1,248,494	477,850	1,382,819	72,991	596,686		3,778,840
Property operating and maintenance expenses	– 1,180,689	– 449,277	– 1,294,337	– 599,925	– 876,696	245,512	– 4,155,412
Utilities	– 754,710	– 290,069	– 841,930	– 66,682	– 418,641		– 2,372,032
Property operating expenses	– 395,138	– 110,370	– 326,488	– 244,370	– 415,183		– 1,491,549
Repair and maintenance costs	– 27,262	– 48,213	– 124,069	– 40,878	–		– 240,422
Ground rents paid	–	–	–	– 245,512	–	245,512	–
Non-income taxes	– 3,579	– 625	– 1,850	– 2,483	– 42,872		– 51,409
Net rental income	2,131,618	1,011,460	3,473,316	142,999	1,661,031	–	8,420,424

	for six months ended 30.06.2022					
in EUR	QBC 4	QBC 1	QBC 2	QBC 7	Reconciliations (inter-company)	Total Austria
Gross rental income	1,857,722	868,001	2,236,004	610,581	– 220,981	5,351,327
Service charge income	720,067	229,833	537,869	180,802	–	1,668,571
Property operating and maintenance expenses	– 704,384	– 284,886	– 992,848	– 583,744	220,981	– 2,344,881
Utilities	– 303,631	– 136,792	– 359,846	– 9,133	–	– 809,402
Property operating expenses	– 327,771	– 102,258	– 493,990	– 302,597	–	– 1,226,616
Repair and maintenance costs	– 58,564	– 45,587	– 138,150	– 48,582	–	– 290,883
Ground rents paid	–	–	–	– 220,981	220,981	–
Non-income taxes	– 14,418	– 249	– 862	– 2,451	–	– 17,980
Net rental income	1,873,405	812,948	1,781,025	207,639	–	4,675,017

	for six months ended 30.06.2023					
in EUR	City Gate	WLC	STRAL 3	SALZ 4	Total Germany	Total Group
Gross rental income	2,548,844	1,372,222	2,300,469	1,338,762	7,560,297	16,357,293
Service charge income	631,047	560,148	–	46,979	1,238,174	5,017,014
Property operating and maintenance expenses	– 727,304	– 566,806	– 137,531	– 154,116	– 1,585,757	– 5,741,169
Utilities	– 185,487	– 149,862	–	– 17,103	– 352,452	– 2,724,484
Property operating expenses	– 366,266	– 241,251	– 46,499	– 62,114	– 716,130	– 2,207,679
Repair and maintenance costs	– 111,014	– 141,221	– 51,393	– 57,296	– 360,924	– 601,346
Ground rents paid	–	–	–	–	–	–
Non-income taxes	– 64,537	– 34,472	– 39,639	– 17,603	– 156,251	– 207,660
Net rental income	2,452,587	1,365,564	2,162,938	1,231,625	7,212,714	15,633,138

	for six months ended 30.06.2022					
in EUR	City Gate	WLC	STRAL 3	SALZ4	Total Germany	Total Group
Gross rental income	2,238,639	1,743,687	1,995,683	1,258,079	7,236,088	12,587,415
Service charge income	770,143	435,667	–	34,800	1,240,610	2,909,181
Property operating and maintenance expenses	– 623,796	– 624,778	– 208,706	– 165,883	– 1,623,163	– 3,968,044
Utilities	– 136,384	– 153,951	–	– 5,789	– 296,124	– 1,105,526
Property operating expenses	– 285,866	– 211,419	– 57,663	– 51,675	– 606,623	– 1,833,239
Repair and maintenance costs	– 137,009	– 223,469	– 111,404	– 90,816	– 562,698	– 853,581
Ground rents paid	–	–	–	–	–	–
Non-income taxes	– 64,537	– 35,939	– 39,639	– 17,603	– 157,718	– 175,698
Net rental income	2,384,986	1,554,576	1,786,977	1,126,996	6,853,535	11,528,552

11.2. Major tenants of the Group

The top tenants in the Group (continuing operations) in the reporting period and in 2022 year are presented below as share of their income in total gross rental and service charge income of the Group.

	for six months ended 30.06.2023	for the year ended 31.12.2022
Nhow (SA3)	14%	15%
BDO (QBC4)	9%	10%
Innside by Melia (SALZ4)	8%	9%
Stadt Wien (Lass 1)	8%	0%
ISS Facility Services (Lass 1)	6%	0%
Performance Media (WLC)	5%	6%
Land Baden-Württemberg (City Gate)	6%	5%

The following table represents the rental income to be received by the Group in future periods under leases currently in effect. The data is given excluding leases of discontinued operations.

in EUR	30.06.2023	31.12.2022**
Less than 1 year	43,816,450	41,252,164
From 1 year to 5 years	167,020,593	160,114,662
More than 5 years*	217,438,133	226,202,206
Total	428,275,176	427,569,032

*The income on leases with BDO at QBC 4, unlimited in term, is included in the table above for the period up to December 2043, when the Group shall be entitled to increase the basic rate up to a fair market rate for similar rental property.

**The figures as of 31 December 2022 are restated as some of the leases of Lass 1 for the amount EUR 37 million were unintentionally ommited in the disclosure in the annual consolidated financial statements for the year ended 31 December 2022.

12. ADMINISTRATIVE EXPENSES

	for six months ended	
in EUR	30.06.2023	30.06.2022
Professional and administration fees	1,657,289	1,095,255
Salaries and social charges	60,197	26,639
Total	1,717,486	1,121,894

13. OTHER INCOME

	for six months ended	
in EUR	30.06.2023	30.06.2022
Reverse of impairment for Eurobonds	22,500	135,000
Other miscellaneous income	289,146	170,237
Total	311,646	305,237

Reverse of impairment for Eurobonds in the statement of profit or loss is counter-balanced by the expense in the statement of other comprehensive income for the same amount, accumulated in other reserves in equity.

Other miscellaneous income includes insurance payments and other items of irregular nature.

14. OTHER EXPENSES

	for six months ended	
in EUR	30.06.2023	30.06.2022
General overheads at LASS 1 construction site	–	73,583
Other taxes and duties	258,562	61,874
Depreciation	1,369	1,369
Other miscellaneous expenses	26,907	109,678
Total	286,838	246,504

15. FINANCE COSTS

	for six months ended	
in EUR	30.06.2023	30.06.2022
Interests on bonds issued	4,327,031	8,876,384
Interest on notes payable	1,501,913	3,975,948
Interest on loans payable	2,091,711	936,217
Interest on bank loans	1,320,053	1,333,474
Bank charges	185,036	455,495
Other finance cost	6,293	100,178
Allocation of interest on corporate debt to discountinued operations	–	– 5,397,979
Finance cost directly attributable to discontinued operations	– 3,394,966	– 851,682
Total	6,037,071	9,428,035

Total interest on notes payable in the reporting period amounted to EUR 1.5 million (six months 2022: EUR 5.58 million), including EUR 1.5 million (six months 2022: EUR 3.98 million) recognized in the statement of profit and loss as interest expense and EUR nil million (six months 2022: EUR 1.6 million) capitalized in the investment property LASS 1 (refer to Note 4.1).

The bonds and notes were issued by the company, EPH PLC ('the corporate debt'). Until December 2022, the funds were utilized by the subsidiaries of the Group via intra-group finance. In December 2022, subsidiary in disposal group, Lenbury, accepted the debt of the company under the notes, thus, it started to bear directly attributable finance costs. During six months ended 30 June 2022, management allocated interest expense on the corporate debt to discontinued operations based on ratio 42% (discontinued operations) / 58% (continuing operations), which best reflects actual utilization of the funds by the respective operations of the Group.

16. INCOME TAX

	for six months ended	
in EUR	30.06.2023	30.06.2022
Current income tax expense	– 2,136,527	– 3,560,912
Deferred income tax benefit/(expense)	83,883	19,664,237
Total income tax benefit/(expense)	– 2,052,644	16,103,325
Attributable to continuing operations		
Current income tax expense	– 203,951	– 59,053
Deferred income tax benefit/(expense)	5,327,149	– 4,028,683
	5,123,198	– 4,087,736
Attributable to discontinued operations		
Current income tax expense	– 1,932,576	– 3,501,859
Deferred income tax (expense)/benefit	– 5,243,266	23,692,920

Deferred income tax primarily arises on taxable difference between tax value and fair value of the investment properties determined in functional currency of the subsidiaries owning these properties. When fair value of investment properties increases or decreases, the Group recognizes deferred tax expense or benefit, accordingly. Income tax benefit/(expense) is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2023 for continuing operations is 13%, compared to 29% for the six months ended 30 June 2022. The tax rate is higher in 2022 due to the greater amount of non-deductible expenses.

17. EARNINGS PER SHARE

Basic Earnings per Share amounts are calculated by dividing Net Profit/Loss for the period Attributable to Equity Holders of the Company by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in computations of the Basic and Diluted Earnings per Share for continuing operations, discontinued operations and total operations. The comparative figures for prior period were re-presented to disclose the earning per share for continuing and discontinued operations.

	for six months ended	
in EUR	30.06.2023	30.06.2022
Earnings per share for (loss)/profit from continuing operations of the Company		
Net (loss)/profit from continuing operations attributable to shareholders	– 33,962,955	9,353,785
Weighted average number of ordinary shares outstanding	14,318,338	14,322,727
Earnings per share (EUR per share)	– 2.37	0.65

	for six months ended	
in EUR	30.06.2023	30.06.2022
Earnings per share for (loss)/profit from discontinued operations of the Company		
Net loss from discontinued operations attributable to shareholders	– 96,992,841	– 46,940,258
Weighted average number of ordinary shares outstanding	14,318,338	14,322,727
Earnings per share (EUR per share)	– 6.77	– 3.28

	for six months ended	
in EUR	30.06.2023	30.06.2022
Earnings per share		
Net (loss)/profit attributable to shareholders	– 130,955,796	– 37,586,473
Weighted average number of ordinary shares outstanding	14,318,338	14,322,727
Earnings per share (EUR per share)	– 9.15	– 2.62

18. SHAREHOLDERS' EQUITY

18.1. Authorised capital

There were no changes in number of the authorised and issued share capital in the reporting period and in the year ended 31 December 2022.

18.2. Change of the denomination of share capital from us$ to eur

The Board of Directors initiated the change of the denomination of the Company's share capital into EUR approved by the shareholders at the annual general meeting on 9 June 2022. According to the decision, authorized share capital is equal to EUR 20,460,000 divided into 21,000,000 ordinary shares of a nominal value EUR 0.93 each. The issued share capital is equal to EUR 13,400,390.46 divided into 14,409,022 ordinary shares of a nominal value of EUR 0.93 each. In 2022, the state authorities registered share capital in EUR. Upon registration, respective entries were made to the statement of changes in equity to align the amount of share capital (EUR 12.72 million) to the newly registered figure (EUR 13.40 million) by re-allocation of the difference of EUR 0.68 million from share premium.

18.3. Other reserves

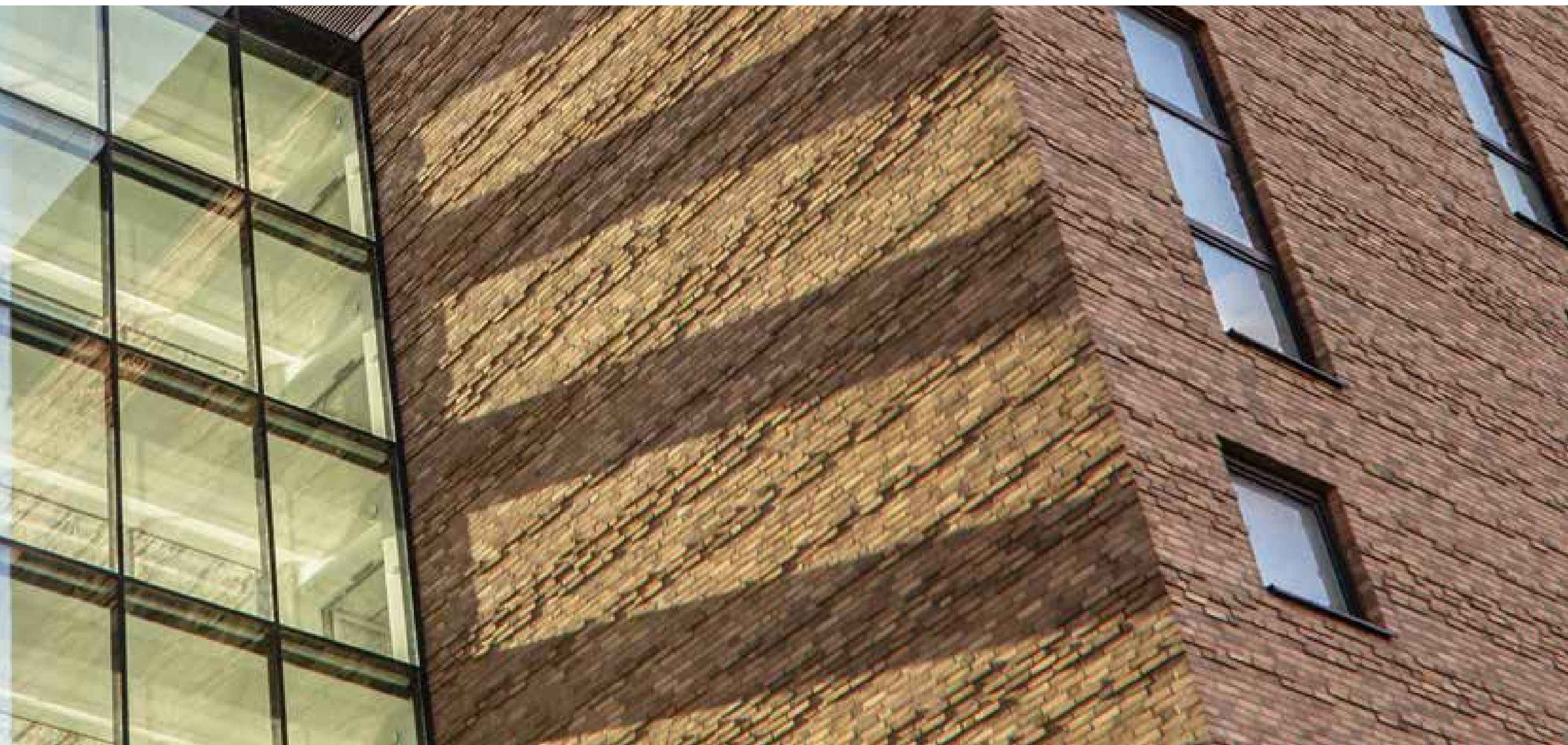
Other reserves include FV adjustment and impairment allowance for the financial assets at FVOCI. Upon disposal of the asset, accumulated reserve related to this asset is reclassified to Profit or Loss.

18.4. Cumulative translation adjustment ("CTA")

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. Refer to the latest annual financial statements for the translation accounting policy. All resulting exchange differences are recognised in other comprehensive income or expenses as part of CTA. On disposal of Russian segment of the Group (Note 8) in the reporting period and in December 2022, the cumulative amount of the exchange differences relating to the segment, recognised in other comprehensive income and accumulated in the CTA, was reclassified from equity to profit or loss (as a reclassification adjustment) when loss on disposal was recognized for the amount EUR 162.74 million (second half of 2022: EUR 13.65 million). Remaining balance as of 30 June 2023 of EUR 0.75 million represents translation difference recognised on the change in the functional currency of the parent Company from US$ to EUR as of 1 January 2022 and related to investment in

18.5. Dividends

No dividend was paid during reporting period (2022: nil).



19. RELATED PARTY TRANSACTIONS

19.1. Subsidiaries

The interim condensed consolidated financial statements include the financial statements of the Company and the subsidiaries. The Company's holdings in all subsidiaries are listed in the Corporate Governance part of the annual report 2022, section 1. Group structure and shareholders. The Company's intermediary holding companies are listed in the table below:

			% Holding	
Name of subsidiary	Incorporated in	Relation to disposal group	30.06.2023	31.12.2022
Lenbury Enterprises Limited	Nicosia, Cyprus	included	0%	100%
Housefar Limited	Nicosia, Cyprus	included	0%	100%
Idelisa Limited	Limassol, Cyprus	included	0%	100%
Connecta GmbH & Co. KG	Munich, Germany	included	0%	100%
EPH Real Estate Limited	Nicosia, Cyprus	included	0%	100%
PNL Media Limited	Nicosia, Cyprus	included	0%	100%
Capital Estate Group Limited	Nicosia, Cyprus	included	0%	100%
Lexworth Finance Limited	Nicosia, Cyprus		100%	100%
Ferran Limited	Nicosia, Cyprus		100%	100%
Setford Limited	Nicosia, Cyprus		100%	100%
Andorian Beteiligungsverwaltungs GmbH	Vienna, Austria		100%	100%
QBC BT IV Alpha GmbH	Vienna, Austria		100%	100%
QBC BT IV Beta GmbH	Vienna, Austria		100%	100%
Obewan Beteiligungsverwaltungs GmbH	Vienna, Austria		100%	100%
Ophuhus Beteiligungsverwaltungs GmbH	Vienna, Austria		100%	100%
Obewan GmbH &Co	Vienna, Austria		100%	100%
Asura Holding S.a.r.l.	Luxembourg		100%	100%
SG4 Dresden Holding GmbH	Frankfurt am Main, Germany		100%	100%
QBC 1,2,7 Holding	Vienna, Austria		100%	100%
QBC Immomanagement SP Alpha GmbH	Vienna, Austria		100%	100%
QBC Immomanagement SP Omega GmbH	Vienna, Austria		100%	100%
QBC Immobilien GmbH	Vienna, Austria		100%	100%

Subsidiaries, included in the disposal group, were sold on 19 April 2023 to third parties. Refer to Note 8 for detail. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this Note.

19.2. Categories of related parties of the Group

Related parties include shareholders, key management personnel and other related parties having significant influence on the Group. The Company and its subsidiaries, in the ordinary course of their business, enter into various sale, purchase and service transactions with related parties. Refer to the Group's latest published annual financial statements for description of the relationships with the related parties, which remained basically the same in the reporting period. The services and rents are provided on market terms.

19.3. Balances with related parties

in EUR	30.06.2023	31.12.2022
Other related parties:		
Accounts payable and accrued expenses	– 171,274	– 328,080
Liabilities directly associated with assets held for sale	–	– 68,736
Shareholders:		
Liabilities directly associated with assets held for sale	–	– 426,100,000

19.4. Transactions with related parties

The Group's transactions with related parties for six months ended of 30 June 2023 and 2022 consisted of the following:

	for six months ended	
in EUR	30.06.2023	30.06.2022
Other related parties:		
Continuing operations		
Management fees	– 817,894	– 709,907
Discontinued operations		
Gross rental income	85,883	169,219
Management fees	– 451,942	– 989,953
Other expenses	–	– 4,503
Salaries	– 7,397	– 165,845
Shareholders:		
Finance costs	– 1,501,913	– 3,975,948

In the reporting period, the amount of finance cost consist of interest accrued on notes issued by subsidiary Lenbury (discontinued operations). In the first half-year 2022, the amount consists of interest accrued on notes issued by parent company EPH PLC (part of corporate debt) and allocated between continuing and discontinued operations (Note 15).

19.5. Transactions and balances with key management personnel

Compensation to the board of directors amounted to EUR 110.1 thousand in the reporting period (6 months 2022: EUR 130.0 thousand). It is presented in line Administrative expenses in the statement of profit or loss. Compensation prepaid as at 30 June 2023 amounts to EUR 64.0 thousand (31 December 2022: EUR 71.7 thousand). It is presented in line Prepayments in the statement of financial position.

20. CONTINGENCIES AND COMMITMENTS

20.1. Pledges

The Group's assets are pledged to secure borrowings of the Group (refer to Note 9):

Shares in subsidiaries QBC Immobilien GmbH&Co Delta KG, QBC Immobilien GMBH & CO Omega KG , QBC Immobilien GMBH & CO Alpha KG;

- Investment property for the total amount of EUR 278.46 million (31 December 2022: EUR 291.79 million);
- Current rental receivables for the amount of EUR 0.92 million and future rental receivables of investment properties SALZ 4 and QBC 1 & 2 (31 December 2022: EUR 0.44 million).

During the current period, the Group did not breach any of its loan covenants, nor did it default on any of its obligations under its loan agreements.

20.2. Capital commitments

In June 2020, the Group signed a general construction agreement for the amount of EUR 50 million for construction and refurbishment works at newly acquired property LASS 1 in Vienna. EUR 1.72 million are outstanding as of 30 June 2023 (31 December 2022: EUR 2.13 million).

20.3. Military conflict in Ukraine

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the military conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally a nd exacerbating ongoing economic challenges. The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future. Uncertainty regarding global supply of commodities due to the conflict has caused immediate volatility in global stock markets, and consequences are anticipated in relation to the cost and availability of energy and natural resources, particularly within Europe. There is a risk that the war could escalate and directly involve NATO countries.

Direct and indirect impact on the Company and long-term economic consequences largely depend on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets. Disposal of the Russian operations had a positive impact on reducing the Group's exposure to the risks coming from the operations in the region, limiting it to the credit risk of the deferred consideration from the buyer (US$ 46.32 million, gross with impairment provision) and remaining loans receivable from the former Russian segment (EUR 70 million, gross with impairment provision). In assessing of the estimated credit loss on these loans and receivables, management considered potential consequences of the military conflict. Refer to Note 6.1 for detail. In determining of fair values of the Group's investment properties in Europe as of 30 June 2023 to reflect current macro-economic developments and expectations of the investors in the circumstances of growing uncertainty, management implemented rather conservative approach: it applied higher discount and cap rates in the DCF models whereas expectations on market rental rates remained mostly on the same level with the end of 2022. As a consequence, the Group recognized loss on the revaluation adjustment in the reporting period. Refer to Notes 5.2, 4.1 for detail. Current operating performance of the Group's properties in Europe continue to demonstrate stable growth. Management cannot judge on the future potential negative impact of the conflict on the global economy and major financial markets as well as on EPH properties but, as per the most recent assessment, impacts on the Group's operating performance and cash flows are considered as not material.

21. SUBSEQUENT EVENTS

21.1. Agreement on modification of bonds

On 14th August 2023, EPH European Property Holdings PLC has suggested to the holders of the Company's bonds with ISIN CH1177844367 and ISIN CH1177348278 and with a total nominal value of EUR 244. 35 million to amend certain terms of these bonds:

- Replacement of the current interest rate of 2.00 % p.a. with an interest rate of 4.5% p.a.; and
- A term extension of 5 years of the Bonds until 30 September 2028.

As per 8th September 2023, all bondholders have consented to the suggested amendments. The amendments to the terms of the bonds will become effective on 1st October 2023.

21.2. Repayments of loans given

Subsequently to the period-end and by the date of authorization of these financial statements, the Group received repayments on loan issued to the former subsidiary Lenbury for the amount EUR 15.0 million. Refer to Note 6.1 for loan details.

21.3. Termination agreement for Unicredit loans

On 21 September 2023, the Group signed Termination, Pay-Off and Security Release Agreement with UniCredit Bank Austria AG and made an early repayment of loans provided to QBC Immobilien GmbH & Co Alpha KG and QBC Immobilien GmbH & Co Omega KG (QBC 1&2) and QBC IMMOBILIEN GMBH & CO DELTA KG (QBC 4). On repayment, the Group also paid a business distance fee of EUR 0.81 million and received compensation for the termination of the interest SWAP, attached to the respective loans, at fair value, net of fees, for the amount appx. EUR 18 million. At inception of the loans, the Group accounted for the loans and embedded interest SWAP derivative as a whole instrument, that is not recognizing the derivative as a separate asset or liability at once but recognizing its effect in each period when interest on the loans was charged. Upon realization of the interest SWAP at termination of the loan agreements, the Group recognised profit of EUR 18 million, net of fees, at the date of termination. The carrying amount of loans payable by QBC 1&2&4 to UniCredit Bank Austria AG amounts to EUR 150.38 million as of 30 June 2023 (refer to Note 9.2).

22. SUPPLEMENTAL RECONCILIATIONS AND DEFINITIONS

The KPI table above includes management performance measures which are, or may be, considered non-IFRS financial measures as defined in the rules of the Swiss Stock Exchange. While EPH's management believes that the non-IFRS financial measures herein are useful in evaluating Group's operating results, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. Therefore these measures should not be viewed in isolation but considered together with the interim condensed consolidated financial statements (unaudited) prepared in accordance with IFRS as of and for six months ended 30 June 2023 (referred to as "financial statements" herein).

Reconciliation of the non-IFRS financial measures to a comparable measure in the financial statements is given below. All other measures, not listened below, represent IFRS financial measures, which can be directly identified in the financial statements.

The non-IFRS financial and IFRS measures are presented in the KPI table for continuing operations of the Group, if not indicated other.
"Operating income" represent performance measure of a regular basic activity of the Group. It is determined based on IFRS- measures: "Net operating profit/(loss)" excluding "Revaluation of investment properties", "Impairment loss on loans" and irregular items of extra-ordinary nature (see below) plus "Interest income".

"Net other operating income/(expenses)" measures financial outcome of other irregular and individually insignificant items and is determined as net result of "Other income" and "Other expenses" and "Interest income" excluding irregular items of extra-ordinary nature (see below).

"Earnings from operational activity" measures regular performance of the Group excluding current income tax and finance costs and is determined as "Operating income", as described above, less "Current income tax" and less "Finance cost". Sum of current income tax and deferred tax, not presented and disclosed separately in these financial statements, reconcile to "Income tax".

"Other extraordinary items" consist of material one-off transactions aside from regular business activity of the Group. In the reporting period, there were no other extraordinary items. In the first half-year 2022, extraordinary items consist of income on final adjustment of purchase price of investment property SG4, acquired in 2020. In the first half-year 2021, extraordinary items consist of income on final adjustment of purchase price of investment property WLC acquired in business combination in 2017.

"Total before foreign exchange movements" is determined as "Net profit/(loss) from continuing operations" excluding "Net foreign exchange (loss)/ gain", "Release of impaiment allowance for loans and receivables for the assets sold" and "Fair value adjustment on financial instruments" and gives a measure of net profits/(loss) free from the effect of fluctuations of foreign currencies.

"Earning from operational activity per share" is a performance measure on a share basis, calculated as "Earnings from operational activity", described above, divided by the weighted average number of shares in each reporting period.

"Release of impairment allowance for loans and receivables related to the assets sold" consists of "Release of impairment allowance for loans and receivables" recognized on the receivables and loans given to the former Russian segment.

"Result of discontinued operations and (losses)/gains related to measurement of receivables and loans from them" represent management measure of performance of discontinued operations and is determined as a sum of "Net loss from discountinued operations (attributable to equity holders of the Company)", "Release of impairment allowance for loans and receivables" and "Fair value adjustment on financial instruments".

"Loan-to-value" is determined as a division of "Borrowings" by "Total assets" (as of 31 December 2022, excluding "Assets classified as held for sale"). This ratio gives understanding of the relative difference between the EPH's debt amount and carrying amount of its assets at each reporting date.

"Net (loss)/profit for the period before result of discontinued operations and (losses)/gains related to measurement of receivables and loans from them " represent net result of continuing operations and is determined as "Net (loss)/ profit from continuing operations" excluding "Release of impairment allowance for loans and receivables" and "Fair value adjustment on financial instruments", representing movement in impairment allowance in the reporting period on outstanding loans given to and receivables from the former subsidiaries of the Russian segment and gain/(loss) related to the accounting measurement of the respective financial assets.

"Fair value of investment properties" refers to investment properties of the Group in Europe, the values as of 30 June 2023, 31 December 2022 and 2021 are disclosed in Notes 3.3, 4 and 5.

23. GENERAL INFORMATION ON INVESTMENT PROPERTIES

as of 30.06.2023

	City Gate	WLC	STRAL 3	SALZ 4
Country		Germany		
City	Stuttgart	Hamburg	Berlin	Dresden
Address	11, Kriegsbergstrasse	1a, Gorch-Fock-Wall	3, Stralauer Allee	4, Salzgasse
Property description	Office & retail with restaurant	Office and retail with fitness	Purpose built design hotel (music theme)	Hotel
Class	A	A	4-star	4-star
Building area, sqm	26,445	12,683	28,030	15,620
Land	freehold	freehold	freehold	freehold
Net rentable area in sqm (BOMA)	17,261	12,683	20,160	15,550
office	15,408	8,782	n/a	–
retail	1 246 (incl. restaurant)	–	n/a	261
other	607	3 901 (fitness, storage, wintergarden)	20 160 (304 rooms, restaurant, spa, stage, record studios)	15 289 (180 rooms, a spa, restaurant, bar)
Parking lots				
underground	145	89	86	46
surface	–	–	39	–
Vacancy rate as a % of net rentable area	0.0%	13.8%	0.0%	0.0%
Lease terms	2024-2031	2025-2033	Nov. 2035	Jan. 2030
Weighted average lease term, years	5.1	5.7	12.4	6.6

as of 30.06.2023

	QBC 1	QBC 2	QBC 4	QBC 7	LASS 1
Country			Austria		
City			Vienna		
Address	Gertrude-Fröhlich-Sandner-Str	5, Wiedner Gürtel	4, Am Belvedere	Karl Popper Straße ONr. sine	1, Lassallestrasse
Property description	Office buidling	Office buidling	Office buidling	Parking	Office building
Class	A	A	A	A	A
Building area, sqm	10,300	30,600	20,000	n/a	44,776
Land	freehold	freehold	freehold	freehold	freehold
Net rentable area in sqm (BOMA)	9,292	30,062	17,425	727 units	29,105
office	7,848	25,182	17,425		24,592
retail	740	3,205	–	–	3,992
other	704	1,675	–	–	521
Parking lots					
underground				679 car, 48 single-track 71 vehicles parking spaces	154
surface			–	–	46
Vacancy rate as a % of net rentable area	0.0%	0.0%	0.0%	n/a	0%
Lease terms	2026-2040	2026-2041	unlimited	Dec. 2038	2032; 2033; 2037; unlimited
Weighted average lease term, years	8.06	8.3	unlimited	15.17	10.3

GENERAL INFORMATION

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