

PRESS RELEASE

EPH European Property Holdings PLC announces Unaudited Interim Results for the Six Months to 30 June 2023 and appointment of Management Committee Members

29 September 2023, Limassol, Cyprus / Ad hoc announcement pursuant to Art. 53 LR

BUSINESS HIGHLIGHTS FIRST HALF YEAR OF 2023

- With an established portfolio of high-quality properties in prime locations in Europe occupied by tenants with strong credit ratings, combined with professional asset management, EPH European Property Holdings PLC ("EPH" or the "Company") has demonstrated operational stability in the first six months of 2023, despite the ongoing market environment challenges. As a result, EPH not only achieved almost full occupancy throughout its European portfolio, it also increased rental income.
- The sale of the Company's Russian portfolio was concluded in April 2023, following the Extraordinary General Meeting (held on 1 November 2022) at which the shareholders of EPH authorised the Board of Directors to sell EPH Group's entire Russian property portfolio by way of a management buyout.
- Upon disposal of the Russian segment in the first half of 2023, the Company reclassified the negative balance of the currency translation adjustment reserve („CTA“) accumulated on the Group's operations in Russia and amounting to EUR 163 million to profit or loss statement. This reclassification resulted in recognition of a loss of EUR 163 million and a corresponding positive change in CTA reserve balance, thus, having zero effect on the equity of the Group.
- EPH's real estate portfolio now consists of nine core assets. The properties are located in prime locations in Vienna (Austria) and four German markets (Berlin, Hamburg, Stuttgart and Dresden). All properties are let on long-term leases to tenants with strong credit ratings. Due to the quality of the properties and the professional asset management, the Group's European portfolio performed above expectations during the reporting period.
- A milestone in the operating business was the completion of the LASS 1 refurbishment project in Vienna and the realisation of initial rental income. The property is located near the city centre of Vienna in the promising, up-and-coming 2nd district and has a total area of almost 45,000 square meters. Tenants include the Wiener Gesundheitsverbund, Wiener ArbeitnehmerInnen Förderungsfonds, and ISS Austria, the property's facility manager.
- Despite the positive operating performance of the European real estate portfolio, the economic development in Europe led to a downward adjustment of fair values of the properties in Germany and Austria. As a result, EPH recorded a loss from continuing operations in the first half of 2023.

FINANCIAL HIGHLIGHTS FIRST HALF YEAR OF 2023

- As of 30 June 2023, the balance sheet total (total assets) amounted to EUR 1,162.35 million, compared to EUR 1,706.31 million as of the end of the previous year. However, as of 31 December 2022, the total assets still included the Russian portfolio, which has since been sold, with a value of EUR 546.55 million.
- Net assets (calculated as total equity) amounted to EUR 531.22 million, compared to EUR 526.56 million at the end of 2022.
- For the six months ended 30 September 2023, the Company reports a net loss of EUR 132.14 million, compared to a loss of EUR 37.14 million for the first half of 2022. This result is mainly due to the negative CTA balance of EUR 163 million reclassified to the profit or loss statement upon the sale of the Russian portfolio and revaluation losses of the properties in Austria and Germany amounting to EUR 45.77 million.

- The loss from continuing operation for the first half of 2023 is recognized in the amount of EUR 35.15 million. The main factors influencing the financial result of continuing operations are:
 - Increase in rental income from EUR 11.53 million for the six months 2022 to EUR 15.63 million for the six months 2023 – mainly due to the fact that the properties QBC 1, 2 have started to generate full income after the expiry of the rent-free periods, first income has been received by newly refurbished LASS1 property as well as higher rental income due to indexation is being generating by other properties in Vienna and Germany.
 - Loss on revaluation of investment properties of EUR 45.77 million in the first half of 2023, mainly due to the macroeconomic development in Europe.
 - Financing costs decreased from EUR 9.43 million in HY 2022 to EUR 6.04 million in the first six months of 2023. This decrease was caused mainly by a reduction of interest rates on the bonds from 1 April 2022 from 5.5-7.25% down to 2-2.25%.

MAJOR SUBSEQUENT EVENTS

- On 8th September 2023, the holders of the Company's bonds with ISIN CH1177844367 and ISIN CH1177348278 and with a total nominal value of EUR 244.35 million consented 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.

The amendments to the terms of the bonds will become effective on 1st October 2023.

- On 21 September 2023, the Group signed a Termination, Pay-Off and Security Release Agreement with UniCredit Bank Austria AG and a few days later made an early repayment of loans provided to its Austrian subsidiaries in the total amount of approx. EUR 150 million while realizing positive Swap values of approx. EUR 18 million.

OUTLOOK

- Despite the challenging market environment, EPH is optimistic about the future development of the Company and continues to see potential in the target European markets.
- EPH continues to focus on major European cities and core properties in prime locations, particularly in the office and hotel sectors. Demand for modern space in these segments remains strong and these asset classes have proven stable despite the current market environment challenges.
- The high-quality properties in the EPH portfolio meet high sustainability standards, as evidenced by the relevant certifications. ESG-compliant properties and spaces are playing an increasingly important role for both investors and users.
- EPH will carefully examine market opportunities and continue to position its real estate portfolio for long-term stability in income and value growth. For future acquisitions, the Company is targeting properties with green building certification of at least "Gold" to ensure a high sustainability standard across the portfolio.

The full Semi-Annual Results 2023, including the Interim Condensed Consolidated Financial Information (unaudited) for EPH is available on the company's website:

<https://europeanpropertyholdings.com/investors/reports.php>

CONFERENCE CALL WITH THE MANAGEMENT

Please join management for a conference call to discuss EPH's results for the six months to 30 June 2023 on

Tuesday, 3rd October 2023 at 10:00 a.m. (CET)

Dial in: +41 43 216 12 79

Phone Conference ID: 636901334#

[Click here to join the meeting](#)

[Find a local phone number](#)

A presentation for the call will be posted on the company's website shortly before the call: <https://europeanpropertyholdings.com/>

APPOINTMENT OF MANAGEMENT COMMITTEE MEMBERS

Following the recent resignations, the Board of Directors of EPH European Property Holdings PLC has appointed Anna Bernhart and Michalis Constantinides to the Management Committee of the Company effective as per 1st October 2023.

EPH European Property Holdings PLC is an investment company listed on SIX Swiss Exchange. Additional information on EPH European Property Holdings PLC is available by contacting Anna Bernhart Tel: +41 44 503 5400 or at contact@europeanpropertyholdings.com