

PRESS RELEASE

EPH European Property Holdings Ltd announces 2020 Year End Result

30th April 2021, Road Town, Tortola, BVI

EPH European Property Holdings Ltd (“EPH”) today announces audited 2020 year end results of the Group.

BUSINESS HIGHLIGHTS

- EPH acquired further first-class properties in premium locations and added a new asset class to EPH’ portfolio:
 - In April 2020, EPH purchased an 89.9 percent stake of the hotel property STRAL 3 in Berlin-Friedrichshain leased to NH Group Group
 - In June 2020, EPH acquired 100% of the office property LASS 1 in Vienna which is undergoing full refurbishment until mid 2022
 - In July 2020, EPH acquired 100% of the hotel property SALZ 4 in Dresden’s historic city centre leased to Melia Hotels International
 - In December 2020, EPH successfully closed the acquisition of office properties QBC 1 & QBC 2 in Quartier Belvedere in Vienna together with the parking garage QBC 7
- EPH successfully raised additional equity capital of US\$ 163 million via a share capital increase on the stock exchange
- Continuous sale of apartments and entire sale of office properties at the Arbat premises developed by the Group
- Due to the low share of hotel and retail tenants in our portfolio together with the high quality of our assets in core city or business centre locations which are still demanded and with a majority of financially strong tenants, the COVID-19 pandemic did not have a significant impact on EPH’s operating results and cash flows in the financial year 2020.

FINANCIAL HIGHLIGHTS

- NAV of US\$ 36.69 per share – decreased from US\$ 40.73 at YE2019 (but almost no change since HY 2020 - US\$ 36.82 per share)
- Net profit attributable to the shareholders is US\$ 26.98 million vs US\$ 40.68 million in 2019
- The main factors influencing NAV and the financial result are:
 - Net rental income declined from US\$ 71.30 million for 2019 to US\$ 60.84 for 2020. Decrease is primarily attributable to Russian properties and caused mainly by compression of US\$ values of RUB-denominated revenues resulting from RUB depreciation (by 21% during the reporting period), as well as by revision of lease rates for US\$-denominated leases upon prolongation of the existing leases (to bring the rates down to the current market level)
 - Newly acquired properties STRAL 3 (Nhow hotel building) and SALZ 4 (Inside Melia hotel building), purchased on 2 April 2020 and 2 July 2020, accordingly, contributed US\$ 3.28 million and US\$1.39 million to the net rental income of the Group
 - Decrease in revenue streams in Russia was compensated by the gain from sale of Arbat properties - US\$ 11.68 million (US\$ 3.12 million in 2019)
 - US\$ 85.35 million decrease in investment property valuations in US\$ equivalent – result of the same factors as for the income decline plus some changes in the market assumptions due to market uncertainty arising from coronavirus pandemic (gain of US\$ 53.51 million in 2019). The net valuation result though is positive – US\$ 27.13 million as it takes into account also currency effect on valuations
 - Impact of exchange rate fluctuations in the reporting period (overall positive effect of US\$ 24.44 million): net foreign exchange income recognized in the income statement is partially overlapped by the negative change in CTA

Our annual report, including full financial statements, 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 2020 results on

Wednesday, 05 May 2021 at 10:00 a.m. (CET)

Dial in: +41 43 216 12 79

Phone Conference ID: 237 344 87#

[Click here to join the meeting](#)

[Find a local phone number](#)

<https://dialin.teams.microsoft.com/ca5adb02-80f1-4920-a5e9-f70787fbb27b?id=23734487>

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

EPH European Property Holdings Ltd. is an investment company listed on SIX Stock Exchange. As part of its geographical diversification and strategic intentions to stabilise values and cash flows, the company currently invests in Western Europe. The Company has confidence in the stability of Vienna's prime office rents, sees significant growth potential of city's property markets, and believes that the addition to the EPH portfolio will create long-term value for its shareholders.

EPH is managed by Valartis International Ltd. a wholly owned subsidiary of Valartis Group AG. Additional information on EPH European Property Holdings is available by contacting Anna Bernhart Tel: +41 44 503 5400 or at contact@europeanpropertyholdings.com.