

**PRESS RELEASE**  
**Third quarter 2018 Financial Update**

30 November 2018, Road Town, Tortola, BVI

**FINANCIAL HIGHLIGHTS**

- During the first nine months of 2018 EPH rental properties generated \$51.63 million of net rental income (9 months 2017: \$52.13 million). The contribution to net rental income of each property is presented in the table below. The slight decrease of income in Berlin House and Polar Lights is caused by the tenants' rotation and Rouble depreciation (for Polar Lights) during the period. It was almost fully compensated by the increase of income in other properties as well as the additional income generated by new German property, Work Life Center, acquired at the end of 2017;
- Cash generated by the rental properties is sufficient to cover the Company's operating expenses, including payment of interest on the bonds issued by the Company;
- The Rouble/US dollar exchange rate fluctuation continues to be one of the main factors affecting the Company's operating results and net asset value: for nine months of 2018 positive FX gain recognised in the Company's income statement is overlapped by negative change in currency translation adjustment recognized directly in equity by \$5.2 million;
- Increase in Rouble value of assets under development (apartments in Arbat development) was outbalanced by depreciation of Rouble against US dollar, resulting in decrease in US\$ value of the assets.

**Significant Q3 2018 Income and Expense Items**

<b>Net Rental Income, US\$</b>	<b>30.09.2018</b>	<b>30.09.2017</b>	<b>Change YoY</b>
Berlin House	9,225,376	10,082,977	(857,601)
Geneva House	10,304,785	10,089,665	215,120
Polar Lights	7,895,696	9,024,639	(1,128,943)
Hermitage Plaza	19,271,929	19,389,554	(117,624)
Magistral'naya	509,517	478,386	31,131
City Gate	3,556,392	3,065,250	491,142
Work Life Center	865,578	0	865,578
<b>Total</b>	<b>51,629,273</b>	<b>52,130,471</b>	<b>(501,198)</b>

<b>YoY changes in Income/Expense Items, US\$</b>	<b>30.09.2018</b>	<b>30.09.2017</b>	<b>Change YoY</b>
Net foreign exchange gain/(loss)	39,857,913	(5,283,173)	45,141,086
Finance costs	(23,668,774)	(22,539,286)	(1,129,488)

**Significant Q3 2018 changes in Financial Position**

<b>Assets, US\$</b>	<b>30.09.2018</b>	<b>31.12.2017</b>	<b>Change</b>
Assets under development	123,993,000	136,358,467	(12,365,467)
Cash & cash equivalents	40,729,007	40,644,407	84,600
<b>Liabilities, US\$</b>	<b>30.09.2018</b>	<b>31.12.2017</b>	<b>Change</b>
Borrowings	561,315,059	559,748,328	1,566,731