

Investment Policy

1 Objective

The objective of EPH European Property Holdings PLC (the "Company") is to invest directly, through subsidiaries, or via participations in real estate in Europe to provide long-term capital growth and stable risk adjusted revenues to its stakeholders. Investments may be existing properties or development projects which are intended to provide capital appreciation and/ or rental income. The Company may also purchase participations in other companies with real estate related activities and provide real estate financing, real estate management, sale and leaseback of real estate or enter into real estate related financial transactions.

The Company pursues the goal of a diversified portfolio regarding property type, type of use, location, size and building structure.

2 Investments

2.1 Real Estate Investments

Investment targets are commercial, residential, mixed-use, and industrial properties located in Europe which provide a reasonable risk/ return ratio. The main criteria to be considered are as follows: a) Quality of location b) Economic outlook c) Infrastructure d) Architecture e) Environmental impact f) Occupancy g) Quality of tenants h) Flexibility of usage i) Profitability j) Potential for value appreciation.

Development projects might be new constructions, modernizations or refurbishment of existing buildings in Europe. If development projects are undertaken with a partner, special care must be taken to protect the interests of the Company through the structure and contractual framework of the endeavour.

In choosing investments, the Company focuses primarily on Class-A commercial and mixed-use properties in the larger cities of Europe that demonstrate stable growth mixed with good development potential.

2.2 Financing of Real Estate Investments

The Company intends to optimise the return on its investments through the conservative use of leverage. Interest expenses will be considered on a consolidated basis.

2.3 Participations in Companies

The Company can also invest in majority or minority participations in other companies with real estate related activities, including real estate management.

2.4 Real Estate Financing and Financial Investments

The Company may provide real estate financing secured by mortgages or other adequate guarantees. For temporary or defensive purpose, capital not invested in real estate investments can also be invested in financial instruments, such as stock, listed shares, bonds, investment funds and other liquid financial instruments. The investment in options, futures and other derivatives is only permitted for hedging purposes. The Company may furthermore engage into other financial transactions such as currency and interest rate forwards and swaps for hedging purposes.

2.5 Other Investments

The Company can, subject to approval of the Board of Directors, invest up to 10% of its assets in non-real estate related investments. Up to 20% of the Company's total assets can be invested in real estate investments outside the Company's primary geographic area of focus.

3 Valuation

The entire real estate portfolio will be appraised once a year by an independent real estate appraiser. The results of the yearly appraisal will be used as the basis for valuation in the Company's annual report. For the purpose of the half year report, a simplified valuation method can be applied, if decided by the Board of Directors.

4 Investment process

4.1 Approval by Board of Directors and Management Committee

All purchases or sales of properties and all investments in other assets in excess of EUR 5 million, with the exception of financial investments for temporary or cash management purpose have to be approved first by the Management Committee and subsequently by the Board of Directors

4.2 Analysis

Prior to the approval, a thorough analysis of potential investments, including financing, which involves respective market experts will be performed and presented.

5 Changes to and Compliance with the Investment Guidelines

The Investment Guidelines can be changed or amended by resolution of the Board of Directors within the scope of the Company's purpose. Investors must be informed via the Company's official publications of any amendments before they become effective. Compliance with the Investment Guidelines is verified periodically by the Board of Directors.

6 Entry into effect

This Investment Policy was approved by the Board of Directors of the Company at its meeting of 26th April.2023 and enter into effect at 1st June 2023.It applies to EPH European Property Holdings PLC and to its subsidiaries.