

PRESS RELEASE

EPH European Property Holdings PLC announces Profit Warning and Confirmation of Amendments to the Terms of its Listed Bonds

08th September 2023, Limassol, Cyprus | Ad hoc announcement pursuant to Art. 53 LR

Profit Warning: EPH expects a significantly higher loss in its consolidated accounts for the 1HY 2023 compared to previous year

EPH European Property Holdings PLC (“EPH”, the “Company”) would like to announce that the Company expects a loss between EUR 120 – 130 million for the first half year 2023, compared to a loss of EUR 37 million for the same period a year earlier.

Upon disposal of the Russian segment in the first half of 2023, the Company reclassified from equity statement to profit or loss statement the negative balance of the currency translation adjustment reserve (“CTA”) for the amount EUR 163 million, accumulated on the Group’s operations in Russia from their start due to exchange rate differences arising from translation of the segment’s prevailing functional currency RUR to presentation currency EUR (US\$ until 2022). Reclassification resulted in recognition of loss in profit or loss statement for EUR 163 million and corresponding positive change in CTA reserve balance, thus, having zero effect on the equity of the Group.

Upon disposal of the Russian segment, the Group recognized some long-term receivables and loans from the sold segment. At the moment, the Group’s management estimates potential credit loss on these assets to be recognized in 1HY 2023, which might also impact final results. Based on preliminary assessment, it should not have a significant impact.

Operating results of the continuing operations are improving as expected. Revenue stream increased substantially in QBC 1,2 and 7 properties (expiration of rent-free periods in 1HY 2022 and rent indexation) and Lass 1 (leases started close to YE 2022).

Despite the positive operating results, net loss from continuing operations (German and Austrian segments) is expected due to the downward adjustment of fair values of investment properties in response to correction of macro-economic expectations in Europe, in comparison to YE 2022.

The above stated figures in relation to 1HY 2023 are preliminary and are still subject to finalisation of the Company’s financials. The unaudited results for the period will be published by 30 September 2023. No further information on the Group’s business performance will be released until then.

Amendment of terms of the listed 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 244,350,000 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 prolongation 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.

EPH EUROPEAN PROPERTY HOLDINGS PLC is an investment company listed on SIX Swiss Exchange and holds a commercial property portfolio with a total value of around EUR 895 million, including real estate assets in Berlin, Hamburg, Stuttgart, Dresden and Vienna.

Additional information on EPH European Property Holdings PLC might be available by contacting Anna Bernhart on Tel: +41 44 503 5414.