

PRESS RELEASE

EPH European Property Holdings PLC Profit Warning – EPH expects a significant loss in its consolidated accounts for the year 2023 compared to previous year

05 April 2024, Limassol, Cyprus | Ad hoc announcement pursuant to Art. 53 LR

EPH European Property Holdings PLC (“EPH”, the “Company”) would like to announce that the Company expects a loss between EUR 155 – 165 million for the year 2023, compared to a profit of EUR 7 million for the same period a year earlier. A significant part of this loss is attributed to non-cash accounting adjustments.

Loss of EUR 97 million relates to discontinued operations and is caused by reclassification from equity statement to profit or loss statement of the negative balance of the currency translation adjustment reserve (“CTA”) for the amount EUR 163 million, and was reported in the first half of 2023. Reclassification resulted in a corresponding positive change in the CTA reserve balance, thus, having zero effect on equity of the Group. Please refer to the issued half-year financials for details.

As a result of changes in the macroeconomic environment in Europe leading to corresponding changes in valuation assumptions used by independent valuers, the Company expects a loss on revaluation of fair values of the Group’s properties in the amount of EUR 113 - 116 million (of which EUR 46 million was recognized in the first half of 2023). In the previous year, the Group recognized a gain on fair value adjustment of its Western European properties in the amount of EUR 30 million that had reflected then-positive expectations of the after-pandemic markets.

Despite the market challenges, net rental income of the properties demonstrates stable growth above expectations (26% increase compared to the level of the previous year). In 2023, substantial part of the loans provided to the former Russian segment was repaid. As a result, the Group decreased its credit risk allowance for these loans at the year-end. Also, the Group recognized income on cash proceeds from the realisation of the interest rates swaps. These positive factors, together with some others, mitigated the above-mentioned losses to some extent.

The acquisition of the 5-star hotel Trois Couronnes in Vevey, Switzerland, was completed in January 2024; the property is not consolidated in the Group’s accounts in the year 2023.

The above stated figures in relation to 2023 are preliminary and are still subject to finalisation of the Company’s financials. The audited results for the period will be published by 30 April 2024. No further information on the Group’s business performance will be released until then.

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 con-tact@europeanpropertyholdings.co.m.