

**PRESS RELEASE**  
**First Quarter 2018 Financial Update**

31 May 2018, Road Town, Tortola, BVI

**FINANCIAL HIGHLIGHTS**

- During the first quarter 2018 EPH rental properties generated \$18.17 million of net rental income (Q1 2017: \$18.32 million). The contribution to net rental income of each property is presented in the table below. The decrease of income in Berlin House and Polar Lights caused by the tenants' rotation is almost fully compensated by the increase of income in other properties as well as the additional income generated by newly acquired property WLC;
- 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;
- Although during the first quarter 2018 the Rouble/US dollar exchange rate was less volatile as compared to the previous periods, the situation changed in April 2018 and the exchange rate fluctuation continues to be one of the main factors affecting the Company's operating results;
- The increase in borrowings as of 31 March 2018 is mainly caused by the fact that two bond interest payments due on 31 March 2018 were paid on 3 April 2018 (first business day after the due date - in line with the prospectus) as well as by accruing additional interest on subordinated notes issued by EPH in December 2017;
- Decrease of accounts payable is a result of reduction of trade payables in the ordinary cause of business.

**Significant Q1 2018 Income and Expense Items**

<b>Net Rental Income, US\$</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>Change YoY</b>
Berlin House	3,052,153	4,081,620	(1,029,467)
Geneva House	3,565,110	3,404,942	160,168
Polar Lights	2,843,451	3,378,898	(535,447)
Hermitage Plaza	7,164,411	6,485,583	678,828
City Gate	1,250,567	811,047	439,520
Magistral'naya	184,084	153,666	30,418
WLC	107,877		107,877
<b>Total</b>	<b>18,167,652</b>	<b>18,315,756</b>	<b>(148,104)</b>

<b>YoY changes in Income/Expense Items, US\$</b>	<b>31.03.18</b>	<b>31.03.17</b>	<b>Change YoY</b>
Net foreign exchange gain/(loss)	694,910	(28,936,745)	29,631,655
Finance costs	(7,837,927)	(7,015,376)	(822,551)

## Significant Q1 2018 changes in Financial Position

<b>Assets, US\$</b>	<b>31.03.18</b>	<b>31.12.17</b>	<b>Change</b>
Cash & cash equivalents	36,429,185	40,644,407	(4,215,222)

  

<b>Liabilities, US\$</b>	<b>31.03.18</b>	<b>31.12.17</b>	<b>Change</b>
Borrowings (LT & ST)	564,747,210	559,748,328	4,998,882
Accounts payable and accrued expenses	33,780,316	46,249,766	(12,469,450)