



EPH GROUP AG
EUROPEAN PRIME
HOSPITALITY

CORPORATE PRESENTATION

EPH Group AG

June 2023



COMPANY

EPH Group AG plans to build up a diversified portfolio of high-yield hotels and resorts in the premium and luxury segment in Austria, Germany and other top European destinations.

BOND EPH GROUP AG

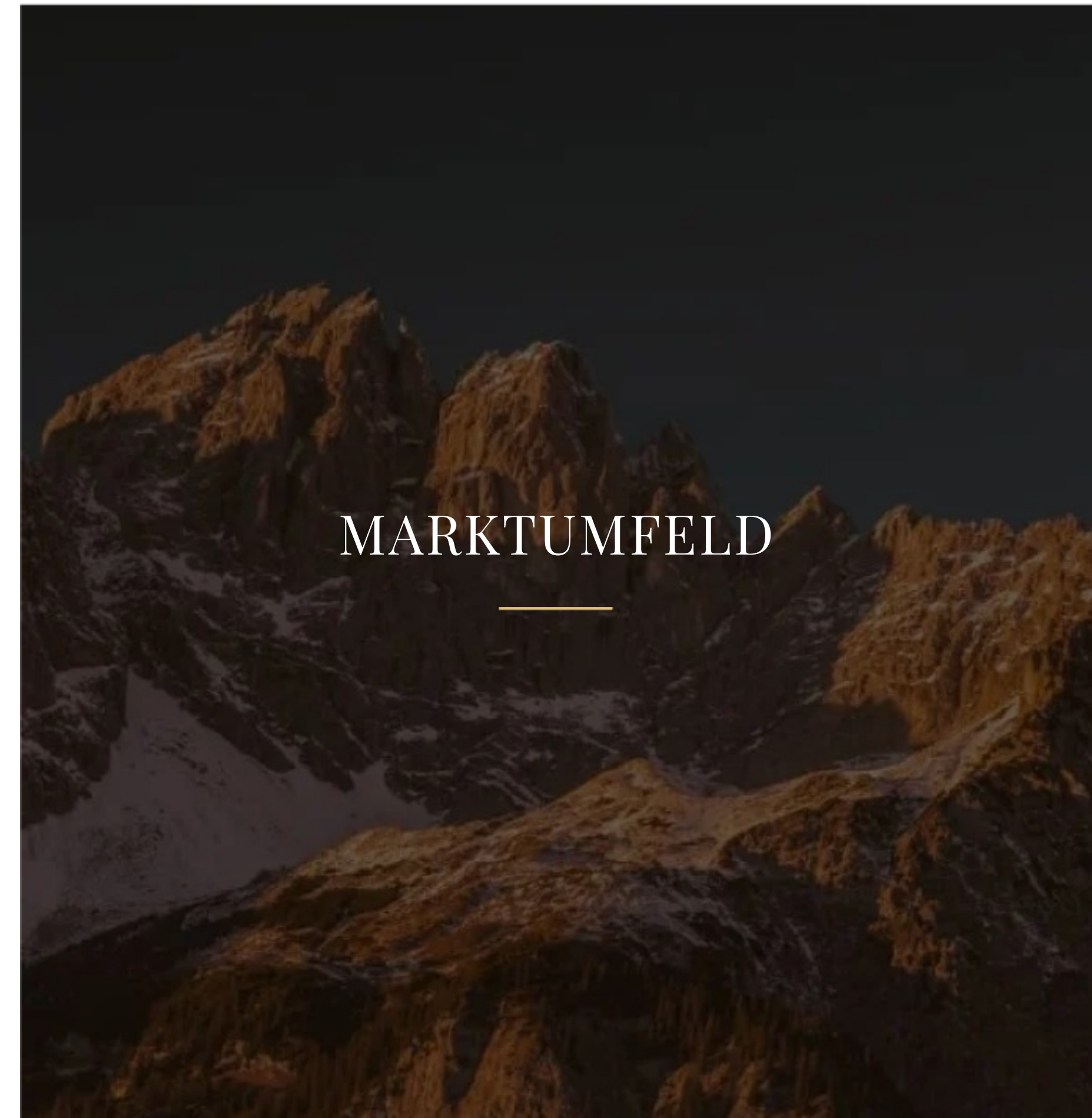
EPH Group AG is currently issuing a bond with an interest rate of 10 % p.a. with monthly interest payments. The bond can be subscribed from 12th June 2023 at banks and online brokers via the subscription tools "FirstPlace" of Wiener Börse AG (Vienna Stock Exchange) and "DirectPlace" of Deutsche Börse AG (Frankfurt Stock Exchange).

MARKET ENVIRONMENT

The leisure hotel industry is characterized by decades of sustained growth and crisis resilience. Especially in the Covid pandemic, the asset class has proven its resilience. Worldwide, economic development in tourism is growing strongly. The trend is toward proximity to nature and year-round destinations in particular. The season is lengthening and shifting. Climate protection and sustainability are playing an increasingly important role.

The performance of the leisure hotel industry has overtaken the city hotel business in recent years. Compared to city hotels, significantly higher revenues per room and guest have been achieved. New record levels were achieved in occupancy rates. Daily rates (ADR) increased significantly. The premium and luxury segment showed above-average growth, as demand for luxury vacations has increased enormously among a constantly growing middle class worldwide.

Nevertheless, the leisure hotel market is far from being exhausted and offers enormous growth potential. Institutional investors are also increasingly shifting their focus from city business hotels to the leisure hotel industry and vacation destinations in Europe.





STRATEGIE

STRATEGY

Due to this positive development, the clear focus of EPH Group AG is on the leisure hotel industry as well as on cities with high tourist appeal. To optimize returns and risks, EPH Group AG pursues a diversified investment approach with a balanced mix of existing properties and project developments in various stages. The aim is to achieve a steady increase in value with positive cash flow from existing hotels on the one hand, and to realize above-average returns from our own developments on the other.

Due to our access to numerous international hotel brands, we are able to select the best possible operator with a tailor-made operating concept for each project. The type of contract (lease, management or hybrid contract) is determined individually for each property after a thorough risk-opportunity analysis.

The portfolio is to be supplemented by investments in related areas, such as gastronomy, culinary, food & beverage and other tourism projects. In this way, synergy effects with the core business are to be exploited and the value of the company continuously increased. In the current environment, a sustainable and responsible corporate culture is particularly important to us. Therefore, our ESG principles determine our entrepreneurial actions.

FOCUS ON CAPITAL MARKETS: IBO / IPO

To partially finance the projects, EPH Group AG is currently issuing a bond on the Vienna Stock Exchange and the Frankfurt Stock Exchange (IBO). In the medium term, an initial public offering in the "direct market plus" segment of the Vienna Stock Exchange is planned (IPO). We are thus opening up the opportunity for institutional and private investors to invest in this constantly growing market segment. EPH Group AG's capital market-oriented financing strategy is intended to contribute to a balanced financing structure and to enable the financing of planned projects at economic conditions even in the current market environment.

For the issuance of the bonds and the preparation of the IPO, EPH Group AG is supported by Wiener Privatbank as capital market partner of the Vienna Stock Exchange. The technical settlement of the bond will be handled by Frankfurt-based BankM AG.

Legal and tax advice to EPH Group AG is provided by Luther Law (Frankfurt), Müller Partner Rechtsanwälte (Vienna), Crowe LLP (Munich and Vienna), SOT Süd-Ost Treuhand (Vienna) and the auditing firm Cura (Vienna).



FOKUS AUF KAPITALMARKT:
IBO / IPO



HINTERGRUND

BACKGROUND

EPH Group AG consists of a group of investors, project developers, hotel real estate, financing and capital market experts. Due to the many years of experience of the EPH team, there is excellent market access and a full acquisition pipeline.

In the areas of feasibility study, due diligence, valuation, contract management, M&A, portfolio strategy, development and construction, EPH Group AG works together with the leading hotel and tourism consulting companies in Austria and Germany. This allows us to draw on comprehensive expertise and develop the best possible strategy for each project.



Jürgen Geisler

CEO

Jürgen Geisler (born 1967) successfully realized his first real estate projects while still studying to become a real estate agent. After his studies, he founded his first real estate company and initially specialized in the acquisition, renovation and sale of listed old town houses in Regensburg. Afterwards, he increasingly concentrated on the hotel and tourism real estate sector. This was followed by project developments in Germany, Austria, Koh Samui (Thailand) and Malawi. His spectrum includes greenfield developments, renovation and conversion of existing hotel properties, leasing to well-known hotel companies, operation on his own account as well as the successful sale of individual properties. He was or is owner and co-owner of numerous attractive hotel and tourism properties in Germany and Austria. In addition, Jürgen Geisler is active as an investor and holds shares in over 20 companies, mainly in the real estate sector.



Dr. Christoph Urbanek

Legal Counsel

After studying law at the University of Vienna, Christoph Urbanek (born 1977) began his career at Kommunalkredit Austria as in-house counsel. After working for one year at Cerha Hempel's predecessor organization in the Banking & Finance department, he continued his trainee period at DLA Piper in the Finance and Projects team in 2004 and was admitted to the bar in 2008. At DLA Piper Weiss- Tessbach in Vienna, he worked for almost 17 years, nine of which as an equity partner. Since 2021, he has been an equity partner at Schindler Attorneys in Vienna and heads the Real Estate Finance department. In addition, he is a lecturer at the University of Vienna, FH Vienna, etc. Dr. Christoph Urbanek is now one of Austria's leading lawyers in the field of real estate finance and real estate law. In particular, he handles international transactions, both in German-speaking countries and in all countries of Central and Eastern Europe. His clients include national and international investors, banks and project developers. In recent years, he has advised on numerous projects and transactions, particularly in the area of hotel real estate, such as the sale of the Hilton Vienna Park to South Korean investors.



Mario Tunkowitsch

Finance and Capital Markets, Prokurist

Mario Tunkowitsch (born 1968) is a trained stockbroker and started his career at Creditanstalt Bankverein (today UniCredit/Bank Austria Group). He has been working in stock trading since July 1990. He successfully managed the institutional sales area at Bank Austria/UniCredit Group for many years. Since 2013, he has been Head of Securities Trading at Wiener Privatbank SE. In addition, Mario Tunkowitsch accompanied several real estate projects, especially in the field of project financing, brokerage of institutional investors and joint venture partners.



Maximilian Fischer

Head of Investor Relations

After studying economics, the trained banker and business graduate began his career in 1994 at the auditing and tax consulting firm Price Waterhouse. From 1997 to 2001, Maximilian Fischer (born 1965) worked in the finance department of Siemens AG, most recently in the Investor Relations team, where he was the IR contact during the NYSE IPO in the USA. Until 2004, he was Head of Investor Relations and Group Press Officer of an SDAX stock. He then founded max. Equity Marketing GmbH in Munich, which specializes in investor relations and capital market consulting. Since then, he has accompanied numerous capital market transactions, in particular bond issues and IPOs, and has an enormous network in the field of capital markets. Maximilian Fischer is also the author of numerous articles on investor relations.



Sebastian Lackner

Financial Services

Sebastian Lackner (born 1973) is an auditor and tax consultant. After studying economics in Vienna, he started his career at KPMG. Afterwards he became managing director and equity partner of "CURA" Treuhand- und Revisionsgesellschaft m.b.H. His areas of expertise include advising companies on tax and corporate matters, assisting with reorganizations and conducting audits of financial statements.



Thomas Mühlberger

Chairman of the Supervisory Board

After studying business administration and philosophy in Munich and Augsburg, Thomas Mühlberger (born in 1967) began his career of more than 25 years in investment banking and asset management at numerous well-known companies. Among other things, he was instrumental in building up the Debt Capital Markets division of a Frankfurt investment bank into one of the market leaders. In this position, he accompanied more than 30 transactions and placed a volume of well over half a billion euros on the capital market. One of the focal points here was the financing of real estate companies via the capital market and alternative forms of financing.



Stefan Frey

Deputy Chairman of the Supervisory Board

A trained banker with additional training as a stock exchange trader and market maker at the Vienna Stock Exchange Academy, Stefan Frey has more than 20 years of professional experience in the institutional distribution of securities. In the process, Stefan Frey (born 1978) held numerous management positions at well-known companies. As a member of the CIO (Chief Investment Office Team) of a Swiss family office with offices in Vienna, Zurich and Hamburg, he was responsible for multi-asset investments in equities, real assets and real estate. This was followed by several years of management functions with staff responsibility as an authorized signatory of a licensed securities and asset management company based in Vienna. In the course of his activities, he established numerous cooperations with international trading partners and was responsible for relationship management with national and international institutional clients for many years. Stefan Frey has accompanied numerous real estate transactions and has profound experience in the implementation of risk management structures.










Reinhold Puntschart-Kolarik

Member of the Supervisory Board

After completing his studies in commerce at the University of Vienna, specializing in finance and financial markets, Reinhold Puntschart-Kolarik (born 1972) began his professional career at Österreichische Volksbanken AG in Vienna as an ÖTOB market maker for equities and derivatives and as a proprietary trader. He then worked in the sales department of the CAIB Investment Bank of the Bank Austria Group. In 2003, he started his career at Quadriga Superfund, where he held various management positions until 2010, including director and board member of branches in Mauritius, Seychelles and Switzerland. Most recently, he was Head of global trading at Superfund Asset Management GmbH in Vienna. Since 2011 Reinhold Puntschart-Kolarik is investment manager at Halper Holding GmbH in Vienna.

Facilities

300 Beds / 150 Rooms		(floor space)
	80x Deluxe Room	36 m ²
	35x Family Room	45 m ²
	15x Suite	55 m ²
	15x Spa Suite	75 m ²
	5x Penthouse Suite	120 m ²
Other facilities (floor space)		
	324 m ² Reception and Lobby	
	165 parking spaces	
	784 m ² Restaurant (inc. patio)	
	1.875 m ² Wellness and Spa	
	472 m ² Meeting and Convention	
	403 m ² Kids Area	

Overview of areas

Area	floor space [m ²]
Rooms	9.107
Common areas	6.938
Parking lot	4.125
Outdoor space	1.120
Total	21.290
Per room	142

Comments

- The following information refers to EPH Group AG's first planned investment project. Approximately €20 million of the total issuance proceeds will be allocated to this first investment project.
- The property is located in Tyrol's prime location and has been designed for the luxury resort segment. The offering encompasses 300 beds / 150 hotel rooms of five different categories (Deluxe, Family, Suite, Spa Suite, Penthouse Suite). Each room comes with a balcony / patio and panoramic view. Units sizes range between 36sqm and 120sqm and are on a par with the competition's offerings. The resort offers 165 parking spaces in an underground parking lot.
- In addition to the rooms in the central building section, the first floor houses the entrance area (324sqm), a store (64sqm), the restaurant with private dining area and outdoor terrace (645sqm), and the hotel bar (139sqm). The first floor also houses the back-of-house reception areas as well as kitchen and storage facilities.
- The resort's garden level provides access via the central building section to the spa area with outdoor terrace and outdoor pool as well as indoor pool and sauna, including changing rooms plus additional back-of-house spaces.
- The resort's central building section on the second floor houses the conference area (472sqm) and the kids' area (403sqm).
- The central building section on the third floor houses a 303sqm separate spa for adults including a pool, plus the hotel's gym (311sqm). In total, the resort offers 1,875sqm of wellness and spa areas (plus outdoor facilities).
- While the resort has been designed for maximum appeal to families, couples will also find countless opportunities for R&R away from the hustle and bustle. Last but not least, the resort's conference area offers additional potential to increase occupancy rate during the low season.

General data and projections

- Discretion plays an eminent role in the market environment of EPH Group AG. By entering into a Non-Disclosure Agreement (NDA), all contracting partners have committed to treat as strictly confidential any information relating to the investment project and to protect all business secrets. This means that it will not be possible to publish further details until after closing of the transaction.
- Our performance estimates detailed below are based on the 1st stabilized year of operations.
- We have based our performance estimates primarily on the comparative data available for comparable properties in similar markets and on the general performance potential of this particular luxury resort product.
- For the resort's operation we have secured the services of a professional operator well experienced in the luxury hotel sector both in and outside Germany and Austria.
- The venue will be operated under a well-known, international luxury resort brand. Hence, we factored in a franchise fee.
- The balance of the issuance proceeds will be used for two further investments characterized by similar parameters and key figures. Details will only be published after conclusion of the transactions and/or after approval by the contractual partners involved.

Indicative performance estimate (1/2)				
Stabilized year of operations				
Basic data				
Business days		365		
Number of rooms		150		
Available rooms per annum		54.750		
Occupied rooms per annum		39.968		
Occupancy	%	73,0%	1	
Ø Average daily rate (ADR)	€	350,0		
Revenue per available room (RevPAR)	€	255,5		
Turnover				
Rooms	€	13.988.625	58,8%	2
Food & Beverage	€	8.393.175	35,3%	
Other	€	1.398.863	5,9%	
Total Sales	€	23.780.663	100,0%	
Profit per department (shown as percentages of each department's sales)				
Rooms	€	10.211.696	73,0%	3
Food & Beverage	€	2.350.089	28,0%	
Other	€	559.545	40,0%	
Gross operating income (GOI)	€	13.121.330	55,2%	

1 For our luxury resort concept, we have factored in the following rates based on the available market data and our assessments of the hotel development market at the resort's actual location. Our calculated average standard rate, excluding breakfast, is €350, based on today's prices. This positions the venue in the upper range of the surrounding hospitality industry competition, matched by product location and quality when compared directly to the competition. Based on the local hotel market and the seasonality of the envisaged project, we believe that a 73% occupancy rate is achievable, yielding a RevPAR of €256.

2 Proceeding from the venue's projected occupancy rate, its extensive F&B offerings, and key figures typical of restaurants of the resort industry's luxury segment, we expect F&B sales to reach 35.3% of total sales, i.e., equivalent to €210 POR. Other projected revenues include parking fees and market-typical revenues generated e.g. from the venue's spa offerings. In summary, the projected revenues total €23.8 million.

3 After deducting normal market costs at department level (including the costs attributable to the parking revenues mentioned) and factoring in a high flow-through for the Rooms department due to the rate, we expect a stabilized GOI of €13.1 million, i.e., 55.2% of the total sales.

Indicative performance estimate (2/2)

Stabilized year of operations

Results per department (GOI)	€	13.121.330	55,2%	
Undistributed overheads				
Administrative & general expenses	€	1.070.130	4,5%	4
Sales & Marketing	€	475.613	2,0%	
Franchise Fees	€	769.374	3,2%	
Maintenance/repairs	€	951.227	4,0%	
Energy	€	1.189.033	5,0%	
IT	€	237.807	1,0%	
Total undistributed overheads	€	4.693.184	19,7%	
Gross operating profit (GOP)	€	8.428.146	35,4%	5

Fixed costs				
Building insurance	€	142.684	0,6%	6
FF&E Reserve	€	1.070.130	4,5%	
Allocation of head office	€	475.613	2,0%	
Total fixed costs	€	1.688.427	7,1%	
EBITDAR	€	6.739.719	28,3%	

4 We applied standard management ratios when calculating the undistributed overheads for the 1st stabilized year of operations. We believe that our projections of 4.5% for administrative & general expenses, 2.0% for sales & marketing, 4.0% for maintenance and 5.0% for energy costs in terms of a year's total sales to be market-typical of the envisaged product. We have also factored in 5.5% franchise fees relating to the rooms revenues (i.e., 3.2% of the total sales).


5 After deducting the undistributed overheads, we arrive at a **35.4% stabilized gross operating profit (GOP) of the total revenue**, which is within normal market ranges for a product in this segment.

6 Also, fixed costs for building insurance have to be deducted. Consistent with market standards and the segment, we have factored in a 4.5% FF&E reserve of the stabilized total revenue. We have also deducted a 2% allocation of the total sales for centralized services from the operator's head office.

Bond EPH Group AG:
10 % interest per year
monthly payment of interest

wiener
boerse
■

BÖRSE
FRANKFURT

 WIENER
PRIVATBANK

Issuer	EPH Group AG
Designation	EPH Group AG – Bond 2023-2030
Type of bond	Senior unsecured notes
Status	The Notes constitute direct, unconditional, unsecured, unsubordinated obligations of the Issuer.
Volume	up to EUR 50.000.000,-
Nominal (denomination)	EUR 1.000,-
Minimum subscription	EUR 1.000,-
Coupon	10 % p.a. fixed
Coupon payment dates	Monthly at the end of each month, beginning with 31st July 2023
Interest calculation	ACT/ACT (ICMA)

Right of termination	The bond may be called by the issuer at any time after a term of three years with a notice period of 12 months. <small>(2026: 102,00%, 2027: 101,50%, 2028: 101,00%, 2029: 100,50%)</small>
Term and repayment	17th July 23 to 16th July 30; 100% of the nominal until 17th July 30
ISIN / WKN	DE000A3LJCB4 / A3LJCB
Applicable law	This note is subject to German law.

max. Equity Marketing GmbH

Maximilian Fischer



Marienplatz 2, 80331 München



+49 (0)89 13928890



m.fischer@max-em.de





EPH Group AG
Gumpendorfer Straße 26
A-1060 Wien



+43 (1) 25 300 25 277



+43 (1) 25 300 25 25



info@eph-group.com

www.eph-group.com