

## **EPP N.V.**

(Incorporated in The Netherlands)  
(Company number 64965945)  
JSE share code: EPP  
ISIN: NL0011983374  
LEI Code: 7245003P7O9N5BN8C098  
(“EPP”)



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## **DISPOSAL OF PORTION OF EPP OFFICE PORTFOLIO**

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### **INTRODUCTION**

Shareholders are advised that EPP has, through its wholly-owned subsidiary, EPP (Cyprus) – 1 PLC (“**the seller**”), concluded a share sale agreement (the “**share sale agreement**”) with HPREF 1 EPP Holdings S.a.r.l. (“**the purchaser**”) for the disposal by the seller to the purchaser of 70% of all the shares in the share capital of HP-EPP Office Venture B.V (the “**JV Company**”) which owns 100% of Polish limited liability companies (“**SPVs**”), which SPVs own the properties known as “Malta Office Park”, “Symetris Business Park”, “O3 Business Campus A/B” (collectively, the “**properties**”) (the “**disposal**” or the “**transaction**”).

Post the disposal EPP will hold 30% of all the shares in the share capital of the JV Company with the purchaser holding the remaining 70%. EPP will remain the asset and property manager of the properties. JV Company also has a right to acquire the property known as O3 Business Campus Building C.

The purchaser is a wholly-owned subsidiary of the Henderson Park Private Equity Fund, a pan-European private equity real estate fund based in London. The fund has invested over \$5 billion in building a portfolio of real estate assets across Europe, primarily targeting Europe’s gateway and capital cities.

### **RATIONALE AND USE OF PROCEEDS**

The disposal is in line with EPP’s strategy to recycle office assets to enable EPP to focus on EPP’s positioning as the leading Polish retail real estate company. The proceeds from the disposal will be used to fund future retail opportunities and to reduce EPP’s leverage.

### **SALIENT TERMS OF THE DISPOSAL**

The share sale agreement was concluded on Monday, 24 June 2019 and the transaction closed on the same date (the “**closing date**”).

The aggregate purchase consideration of EUR60 million, which is based on the estimated net asset value of JV Company, (“**purchase consideration**”) for the disposal was paid in cash by the purchaser to EPP on the closing date. The purchase consideration was determined on the basis of the preliminary accounts prepared by EPP for the purposes of the share sale agreement. The final purchase consideration is subject to a post-closing date adjustment (upwards or downward) based on closing accounts to be prepared after closing to take into account any difference between the preliminary accounts and the closing accounts. Any adjustment is not expected to result in any material change to the purchase price.

The disposal is unconditional.

The share sale agreement includes warranties, indemnities and undertakings which are normal for a transaction of this nature.

The relationship between the seller and the purchaser as shareholders in the JV Company is regulated in terms of a comprehensive shareholders agreements. This agreement includes terms usual for an agreement of the nature

contemplated including reciprocal pre-emptive rights, tag along and drag along provisions, rights to board representation and appropriate minority protections in favour of the seller.

## DETAILS OF THE PROPERTIES

The property specific information required in terms of the JSE Listings Requirements in relation to the properties includes property name and address, geographical location, rentable area, weighted average rental per square metre and value attributable to each property is set out below:

	<b>Property name and address</b>	<b>Geographic location</b>	<b>Sector</b>	<b>GLA (m<sup>2</sup>)</b>	<b>Weighted average rental per square metre (EUR/m<sup>2</sup>)</b>	<b>Value attributed to the property as at 31 December 2018 (EUR)</b>
1	Malta Office Park 88. 88A, 88B, 88C, 88D, 88E Baraniaka Street, Poznan	Poznan, Poland	Office	29 100	13.37	57 600 000
2	Symetris Business Park 86 Pilsudskiego Avenue, Lodz	Lodz, Poland	Office	19 300	13.01	40 300 000
3	O3 Business Properties 114 Opolska Street, Krakow (Buildings A and B)	Krakow, Poland	Office	37 900	13.30	87 500 000

The properties were valued by Kamil Kowa and Tomasz Paszkowski of Savills Advisory Services Limited, who are independent external registered property valuers and a members of the Royal Institution of Chartered Surveyors, a recognised property valuers regulatory body.

The aggregate net operating income attributable to the properties amounted to EUR14.3 million. This information is has been extracted from the audited financial statements of EPP, prepared in terms of IFRS, for the 12 months ended 31 December 2018.

## CATEGORISATION OF THE DISPOSAL

The disposal is classified as a category 2 transaction in terms of paragraph 9.5(a) of the JSE Listing Requirements of the JSE Limited and accordingly, is not subject to approval by EPP shareholders.

25 June 2019

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JSE sponsor

**JAVACAPITAL**

Luxembourg Stock Exchange Listing Agent

**HARNEYS**

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