COVID-19 AND PRE-CLOSE UPDATE

Shareholders are referred to the previous announcements released on SENS and published on the Luxembourg Stock Exchange (“LuxSE”) website on 16 March, 23 March, 30 April and 25 May 2020 in response to the impact of the COVID-19 pandemic and the trading restrictions placed on Polish shopping centres and retail locations.

COVID-19 update

Since the beginning of the pandemic nearly all countries around the world experienced some form of lockdown and Poland has been no different. The overall impact of the lockdown measures taken by the Polish government had a significant impact on the retail, leisure and restaurant sectors. On 13 March 2020 a decree was signed which implemented trading restrictions on all Polish shopping centres and retail locations measuring over 2,000 m^2 of retail. During this period only grocers, pharmacies, drug stores and DIY stores were allowed to trade.

The restrictions resulted in a significant slowdown in the spread of the virus. As a consequence, currently Poland has one of the lowest infections in Europe relative to the size of population, with 32,527 active COVID-19 cases as of 23 June 2020. The Polish government now believes that Poland has sufficient available ventilators and intensive care beds to deal with expected cases.

Due to Poland’s efficient reaction to the pandemic, Poland was able to start reopening the economy earlier than many other countries. The reopening of the economy is being done in carefully considered phases commencing with retail operators on 4 May 2020 and all other services including food operators and cinemas being allowed to reopen by 6 June 2020. Presently all retail, leisure and food operators are allowed to operate in Poland and the COVID-19 related restrictions now relate mostly to sanitary measures, which include wearing masks, cleaning hands, keeping a 2 metre social distance where possible, and regular disinfection and sanitising of equipment.

In response to the pandemic the Polish government and banking authorities stepped in to provide businesses with financial support in the form of “anti-crisis shields”, with the support programmes totaling EUR 70 billion (approximately 15% of Poland’s GDP). The main objectives of these programmes are the protection of jobs, provision of liquidity to businesses, promoting economic activity, and supporting the health sector. Moreover, the National Bank of Poland lowered interest rates from 1.5% to 0.1% since the commencement of the pandemic, which has brought interest cash flow relief to consumers as well as businesses borrowing in Polish zlotys.

EPP believes that the Polish government’s quick and efficient response to the pandemic has allowed Poland to minimise the impact of the pandemic, and resulted in Poland becoming one of the first countries in Europe to unfreeze its economy and even accelerate certain stages of the reopening, with shopping centres allowed to operate earlier than initially expected.

Galeria Mlociny, Warsaw

Polish economic outlook

The current conservative party led Polish government strongly supports a state-guaranteed minimum social safety net, which is expected to help to break the decline in consumption resulting from COVID-19. The presidential elections have (as a result of the pandemic) been rescheduled to 28 June 2020. Any changes in the presidency are not expected to significantly impact Polish long-term economy policy.

The lockdown caused by the COVID-19 pandemic has resulted in most economies entering a "deep freeze" for a number of weeks. According to Eurostat, Polish GDP grew by 1.6% in the first quarter of 2020 (when compared to the first quarter of 2019) and retracted by 0.5% when compared to the last quarter of 2020. This places Poland amongst the best performers in Europe. Poland's relative resilience to the pandemic is also underpinned by the European Commission's forecasts in May 2020, which states that the COVID-19 crisis is a symmetric shock hurting all member states but the drop in output in 2020 and the strength of the rebound in 2021 are set to differ markedly across member states. In 2020 the GDP of all European Union ("EU") members is expected to contract significantly (ranging from a 4.3% contraction in Poland to a 9.7% contraction in Greece). The total EU GDP is forecast to contract by about 7.5% this year, far deeper than during the Global Financial Crisis in 2009, and to rebound by 6.1% in 2021.

Galeria Amber, Kalisz

The recovery of each economy will depend not only on the severity of the pandemic and the stringency of its containment measures, but also on specific economic exposures and initial conditions.

Poland's strengths include its size (Poland is the biggest country that has joined the EU after 2004), a large domestic market and a significant development distance when compared to the "old" EU member states. Solid consumption generated by the affluent parts of Polish society and the social support governmental programs have previously protected the economy from temporary shortages of foreign demand whilst the size of population, quality of education, competitive labour costs and Poland's own currency policy fueled the export of both goods and services. Poland has also become one of the most dynamic business services destinations in Central Europe, which drives the growth of retail spending in the country.

As a result Poland is often singled out as the least vulnerable country in the EU, as supported by the abovementioned forecasts. The Polish GDP volume will likely almost reach its 2019 level as early as 2021 with good growth potential for 2022. It is expected that Poland will be ranked one of the top 3 best recovering economies in the EU.

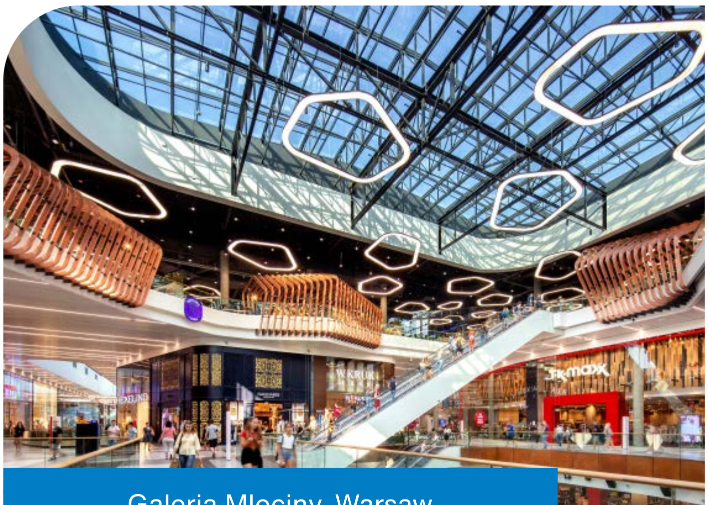
Operational update

Retail portfolio

EPP has a portfolio of 25 dominant retail assets situated in Poland's most prosperous cities, all of which are nearly fully occupied with vacancies across the portfolio (inclusive of structural vacancies) of around 4%. With the majority of retail assets now open, shoppers once again have access to EPP's full retail offering. As of June, footfall was at approximately 70% of pre-pandemic levels, which is a significant increase from the week of 4 May 2020. Footfall continues to grow on weekly basis. Currently 93% of EPP's retail GLA is operational. It is also pleasing that shoppers have been adhering to the required hygiene standards and they have not deterred customers from visiting shopping centres. Based on market surveys, the majority of Poles have stated that they feel safe visiting shopping centres.

Tenant negotiations

EPP has always valued its relationships with its tenants and the trust they have in EPP as the platform to grow their businesses, and fully understands the scale of challenges tenants currently face and the



Galeria Mlociny, Warsaw

necessity to provide support to tenants in order to allow them to survive this difficult time. At the outbreak of the pandemic EPP immediately commenced an active dialogue with its tenants and industry bodies with a view to agreeing on mutually beneficial solutions for both the tenants and the company during this challenging period.

The Polish government provided clear guidance on the rental obligations of tenants during the lockdown period. According to the guidelines landlords were not allowed to charge rental and maintenance costs from 14 March 2020 to 4 May 2020, in return for an extension of the lease terms for a period of 6 months plus the lockdown period. This impacted approximately 79% of EPP's portfolio for a period of 7 weeks.

Upon the reopening of shopping centres on 4 May 2020, the majority of tenants re-opened their shops and started trading. A limited number of tenants decided not to reopen their shops with the intention of trying to negotiate further rent reductions. In addition, a few tenants reopened their units while anticipating some form of support from EPP post the lockdown period.

EPP has approached tenant negotiations on a case-by-case basis and has considered multiple factors, such as the analysis of the tenants' financial situation, potential government support received, historical sales performance and the type of industry in which the tenant operates (fashion outlets, restaurants and cinema and leisure facilities were impacted more than others). In line with EPP's strategy, discounts or deferrals were offered to tenants with the aim of extending lease periods and increasing long-term rentals. The company has not and will not entertain turnover-only based rentals.

Galeria Mlociny, Warsaw

The collection rates for the months of March, April and May have been at the level of 84% for these 3 months collectively (ordinarily collection rates are in excess of 99%). The collection rates have clearly reduced in the last 3-4 months, partially as a result of cash flow problems of some of the tenants, but also because of protracted negotiations on rental discounts with some tenants. With most of the negotiations now concluded or nearing conclusion, EPP expects the collection rates to return to pre-COVID levels in the coming months.

Office portfolio

The lockdown restrictions imposed by the Polish government did not affect EPP's office portfolio. All office tenants are legally obliged to pay their rent in full and all tenants continued to have full use of their offices. The net operating income generated by the office portfolio, including the joint venture with Henderson Park, constitutes 9% of EPP's total net operating income (calculated on an annualised pre-COVID-19 basis).

Park Rozwoju, Warsaw

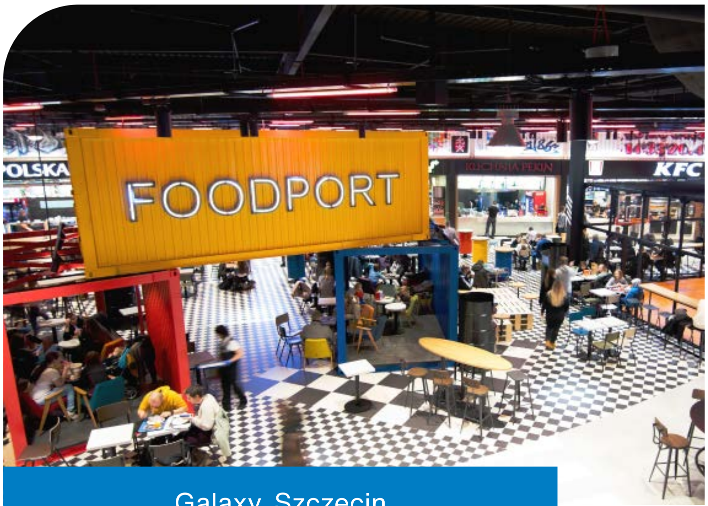
Financial update

Funding and liquidity

The company's liquidity, bolstered by the retention of the second half 2019 dividend, is strong and stable, notwithstanding the challenging trading environment. During this time balance sheet management and capital preservation have been of utmost importance. To enhance the liquidity of the business, EPP has drawn down a further EUR 95 million on its corporate credit facility. The company had available cash reserves of EUR 170 million as at 31 May 2020.

EPP's portfolio is currently funded by a diversified group of lenders comprising Polish, European and international financial institutions. EPP has actively been communicating with all of its lenders since the outbreak of the pandemic. The results of these discussions have been constructive with the majority of the lending institutions agreeing to a temporary waiver of capital amortisation for the year. This will further enhance EPP's cash flow over this period.

The company's financial covenants comprise of income-based debt service coverage ratios (DSCR) and value-based loan to value ratios (LTV). The average DSCR covenant level in the portfolio is currently at 1.4 times, and the average LTV covenant level is at 67%. By way of comparison, as set out in EPP's financial statements for the year ended 31 December 2019, pre-COVID, DSCR exceeded 2.5 times, and LTV was at 50%. EPP believes the aggregate headroom in both the DSCR and LTV coverage provides sufficient comfort in the current environment. Moreover, given the short term COVID-19 related possible income or value fluctuations, the company has negotiated with the banks to suspend testing of covenants until the end of 2020.



Galaxy, Szczecin

EPP remains committed to protecting its balance sheet and continues to explore ways to further strengthen its balance sheet, including utilising available government support programmes to improve liquidity in the business. In this regard, EPP has already relied on the wage subsidies programme that was made available by the government in response to the pandemic.

Operational costs reduction

Upon the outbreak of the pandemic in Poland, EPP immediately introduced plans to optimise costs and mitigate the impact of the lockdown, including reductions in capital expenditure and discretionary operational costs. In addition, with effect from May 2020 the company implemented a 20% salary cut for all employees, including all Board members and its Executive directors.

The Company will continue to assess ways to further optimise costs and limit the impact of the pandemic.

Corporate social responsibility

EPP believes it plays a very important role in the catchment areas and communities in which it operates and therefore at the outbreak of the pandemic it quickly moved to support hospitals and communities where its shopping centres are located. These locally launched initiatives included providing personal protective equipment (masks, clothing and visors) and disinfectants for medical staff and support for seniors, singles and those under quarantine.

EPP's shopping centres donated 17,000 masks to local hospitals which were purchased from one of our tenants, who at the time could not operate its stationary stores. The company also provided meals to medical staff as part of the #property4heroes campaign, involving some of the biggest players from the commercial property sector in Poland. The meals were purchased from one of the restaurants operating in EPP's shopping centres.

An important target group for EPP's activities included seniors and quarantined persons, who were lacking contact with their loved ones and relatives. Several hundred books and games were distributed to this group. Separately EPP's employees collected money for the medical services by taking part in the #Hot16Challenge2 initiative. Additionally, after the reopening of the EPP's shopping centres approximately 12,500 protective masks were distributed to its customers, employees of tenants and cleaning and security services.

At EPP, we feel it is extremely important to support local communities in Poland and we are proud to be doing so proactively during the pandemic. We will continue doing so in the future.

M1, Bytom

Metro portfolio and delay of acquisition of Tranche 3

In December 2017, EPP announced that it would acquire 12 shopping centres consisting of 8 Metro branded shopping centres and 4 Power Parks. The shopping centres were to be acquired in three tranches, with the first two tranches being successfully completed in January 2018 and June 2019 respectively, with the third tranche contractually set to be acquired in June 2020.

Power Park, Olsztyn

The 8 M1 branded shopping centres that are currently owned by EPP are dominant in their catchment areas and are anchored by grocery (Auchan), electronics (MediaMarkt) and DIY (OBI) stores. The nature of the business of the anchor tenants in these shopping centres, their large floor space and ample parking allowed the majority of the tenants of these shopping centres to continue to trade during the lockdown, which was very positive in the current environment.

EPP was scheduled to acquire the third tranche of the Metro portfolio (comprising 4 Power Parks situated in Olsztyn, Tychy, Kielce and Opole, with a total GLA of 110 000 m2) in June 2020. However, given the impact of the COVID-19 pandemic, EPP and the Chariot Group have agreed to extend the date of closing for the purchase of the third tranche until later in 2020. The acquisition of the third tranche of the Metro portfolio will be funded from available cash reserves and new debt funding (assumed at an LTV of less than 50%).

Outlook and guidance

EPP has an unparalleled operational platform with an excellent portfolio of shopping centres across Poland, which is complemented by office assets. Whilst retail footfall levels have continued to improve steadily since the reopening of shopping centres on 4 May 2020, it is expected to take some time for retail turnovers to return to pre-pandemic levels. Although the performance metrics and projected path to recovery are encouraging, the necessity to provide significant financial support to tenants and the resulting loss of rental revenue makes it prudent for EPP to focus on initiatives to strengthen its balance sheet and to retain maximum liquidity. This will ensure that the company is well positioned to navigate through the current COVID-19 challenges and emerge a stronger and more resilient business. As part of this process, the Board will assess the payment of a dividend when finalising its half year results in September 2020.

Full year earnings are expected to be between 4 and 5 euro cents per share for the year ended 31 December 2020 based on the following assumptions:

- the Polish economy continues its projected recovery in the second half of the year;
- no significant tenant failures occur;
- successful conclusion of remaining tenant discussions; and
- no second wave of COVID-19 occurs that will have a detrimental impact on shopping centres such as closures in the second half of the year.

The financial information contained in this announcement has not been reviewed or reported on by EPP's auditors.

The Board will continue to monitor the impact of COVID-19 on the company's operations and its financial position and will provide detailed operational, financial and strategic updates at regular intervals.

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Pasaz Grunwaldzki, Wroclaw

Contact Curwin Rittles
(Investor Relations)

Email: Curwin.Rittles@epp-poland.com

Website: www.epp-poland.com

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