EPP N.V.
(Incorporated in The Netherlands)
(Company number 64965945)
JSE share code: EPP
ISIN: NL0011983374
LEI Code: 7245003P7O9N5BN8C098
("**EPP**" or "**the company**")

UPDATED GUIDANCE AND FURTHER TRADING STATEMENT

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
- the Covid-19 and pre-close update released on SENS and published on the LuxSE website on 29 June 2020; and
- the trading statement released on SENS on 19 September 2020.

EPP's board of directors ("**board**") remains confident that EPP will deliver on its full year earnings guidance of between €4 and €5 cents per share for the year ended 31 December 2020, as announced on SENS on 29 June 2020. Given the recovery in its operations and the progress it has made in the last couple of months with renegotiated leases, the board feels that it is in a position to revise its full year earnings guidance to between €4.75 and €5.25 cents per share for the year ended 31 December 2020.

This is 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.

2020 has been a very challenging year for the global economy as well as real estate markets globally. EPP's business in Poland has been impacted materially, especially as tenants were released from paying rent to retail landlords for the period of the lockdown, and significant rental discounts had to be provided to tenants thereafter in order to provide them with the necessary support to survive. However, EPP believes the steps taken by the Polish Government, particularly the decision to open shopping centres earlier than in most European countries, have enabled the Polish economy to get on a path of smooth recovery from the Covid-related shock, and this has allowed shopping centres to start their recovery sooner than most other countries. It will undoubtedly still take time to fully recover, but EPP sees encouraging and consistent growth in both monthly footfall and tenant turnover figures since the reopening of the shopping centres at the beginning of May 2020 and expects this trend to continue.

EPP has an unparalleled operational platform with an excellent portfolio of shopping centres across Poland, which is complemented by office assets. However, although operations in the portfolio are recovering well, it is also expected to take some time for retail turnovers to consistently return to pre-pandemic levels. Although the speed at which operations are recovering is encouraging, the necessity to provide significant financial support to tenants in the second half of 2020 will result in a significant decline in revenues during this period. Therefore, it is 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 recovery phase which is expected to take until 2021. Furthermore, throughout the balance of 2020 and in 2021 the board will focus on reducing the loan to value in the business. The primary way to achieve it is by way of the disposal of a selected group of assets through either outright sales or sales to new partners in joint ventures. Consequently, at this stage, the company does not envisage the need for a capital raise. Importantly, the management team will follow a measured approach in executing its disposal strategy, and any potential asset disposals will be considered only if the right pricing can be secured. The management team believes that there is liquidity in the Polish market but it is prudent to allow time for the disposals in order to benefit from increasing investor interest as the overall investment environment improves in the Polish real estate market in line with post-Covid recovery. Accordingly, the disposal program is expected to be to be concluded not earlier than in the next 12 to 18 months.

As part of this process, shareholders are advised that the board has elected not to distribute a dividend for the first half of the year to June 2020 and will assess the payment of a second half dividend to December 2020 when finalising its full year results, which is expected in March 2021.

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

25 September 2020

JSE Sponsor

JAVA CAPITAL

Luxembourg Stock Exchange Listing Agent

HARNEYS

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