



SUMMARISED CONDENSED CONSOLIDATED RESULTS

FOR THE 12 MONTHS ENDED 31 DECEMBER 2020

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

www.epp-poland.com

FINANCIAL HIGHLIGHTS

Distributable earnings per share amounted to €5.56 cents, exceeding the upper end of guidance of between €4.75 cents and €5.25 cents

Net property income declined to €114.2 million due to COVID-19 impact and rental concessions

Investment properties declined to €2.13 billion due to COVID-19 impact

Net finance costs increased to €42.7 million

Net loan to value increased to 54.8%

Cost of debt remained stable at 2.6%

Weighted average debt maturity 2.3 years

Hedging remains high at 84%

Net asset value per share declined to €1.09

Distributable earnings declined to €50.5 million

OPERATIONAL HIGHLIGHTS

Currently 96% of EPP's retail GLA is allowed to trade

Retail WALT increased to 5.3 years up from 4.7 years in May 2020

Retail occupancy in the portfolio remained stable at 96%

Higher conversation rates seen post lockdowns with tenant sales outperforming footfall growth

First Primark in Poland opened and despite the pandemic many other stores also opened such as Modivo, eobuwie.pl, PEPCO, Martes Sport, Sephora, CCC or KIWI

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement and does not contain full or complete details. The full announcement is available on the JSE website at <https://senspdf.jse.co.za/documents/2021/jse/isse/epp/annuals20.pdf> and on the company website at <https://www.epp-poland.com/s,91,financial-statements.html>. Copies of the full announcement may also be requested by emailing ir@epp-poland.com.

Any investment decision should be based on the full announcement published on SENS and the company website.

		FY2020	FY2019
Rental income and recoveries	€'000	133 807	163 633
Net property income	€'000	114 205	148 100
Profit from operations	€'000	97 124	132 576
Profit/loss for the period	€'000	(109 656)	131 836
HEPS	€ cents per share	11.01	6.92
EPS	€ cents per share	(9.7)	7.5
Net asset value per share	€	1.087	1.317
Dividend distribution	€ cents per share	See dividend paragraph	11.62

EPP is a Dutch-based real estate company that follows the REIT formula and is one of the leading owners of retail space in Poland. As at 31 December 2020, the company manages a portfolio of 25 retail centres and six high-quality offices located in the majority of regional cities in Poland. In addition to these income-generating properties, EPP owns the Towarowa 22 development in Warsaw. The 25 retail centres under management include the flagship Warsaw development Galeria Młociny, which successfully opened in May 2019. Within the month of March 2021, EPP expects to own or co-own 29 shopping centres post the conclusion of the final tranche of the M1 transaction.

PROSPECTS AND OUTLOOK

2020 was an extremely challenging year for the business with its operations severely impacted by governmental lockdowns which significantly limited trade within shopping centres for more than 10 weeks.

However, EPP currently continues to have an excellent operational platform with an attractive portfolio of retail assets across Poland which is complemented by well let office assets. The platform is backed by a fully internalised team of experienced professionals with a track record of delivering above market performance.

We believe our centres are well located and managed, and we expect them to benefit from the broader reopening and recovery of the economy throughout 2021.

Importantly, in addition to being focused on operations, cash flows and liquidity, EPP is also focused on strengthening its balance sheet, namely progressing EPP's key strategic objective of materially reducing LTV in the business, which we intend to achieve through outright sales or stake sales to the appropriate joint venture partners. In January 2021 we announced the appointment of an industry expert to EPP's executive team to drive this process and we believe this move will optimise the process and maximise delivery prospects.

EPP management is of the view that there is liquidity in the Polish real estate market, which remains one of the key investment destinations in CEE. However, given the COVID-19 pandemic and the need for the markets to recover from it, additional time is foreseen by management in order for the abovementioned transactions to be finalised.

Also, an appropriate headroom remains in the financial covenant levels in EPP's debt portfolio. EPP does not envisage any capital raises in 2021.

Notwithstanding the above positive aspects, the current market remains challenging and although the majority of EPP's retail assets are allowed to operate, the COVID-19 pandemic continues to present some uncertainty with regards to trading in the future.

DIVIDENDS

Given the unprecedented and uncertain impact and duration of the COVID-19 pandemic the board has decided it is prudent to refrain from paying a dividend during the year. It believes it is in the best interests of the company and all its stakeholders to preserve EPP's financial liquidity as the current environment continues to stabilise. Future dividend payments will take into consideration the stability of the retail environment, progress made on disposals, refinancing of EPP's upcoming debt and overall capital structure.

The board will continue to monitor the impact of COVID-19 on the company's operations and its financial position and will provide updates on material impacts to the business.

2021 DISTRIBUTABLE EARNINGS PER SHARE GUIDANCE

Full year distributable earnings per share guidance are expected to be between €7 and €7.25 cents per share for the year ended 31 December 2021.

The forecasts are based on the following assumptions:

- the Polish economy continues its projected recovery in the year ahead and the vaccination programme progresses as planned;
- no significant tenant failures occur;
- no further lockdowns occur that will have a detrimental impact on shopping centres such as closures of shops for extended periods of time.

The forecast financial information has not been reviewed or reported on by EPP's auditors.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The auditors, EY, have issued their unmodified opinion, which includes disclosure on key audit matters namely Valuation of IP and Revenue Recognition, on the annual financial statements for the year ended 31 December 2020 and a copy of the audit opinion together with their underlying audited annual financial statements are available for inspection at the company's registered office, and on <https://www.epp-poland.com/s,128,annual-reports.html>.

By order of the board

10 March 2021

Directors

Tomasz Trzosto (chief executive officer), Jacek Bagiński (chief financial officer), Robert Weisz* (Chairman), Marek Belka*, Maciej Dyjas**, Dionne Ellerine*, Andrew König**, James Templeton*, Pieter Prinsloo**, Taco de Groot*

* Independent non-executive ** Non-executive

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