

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



DISPOSAL OF EPP'S SHARES IN THE TOWAROWA 22 DEVELOPMENT

INTRODUCTION

Shareholders are advised that EPP has, together with its wholly-owned subsidiary EPP GP B.V. (together, the “seller”), entered into a preliminary sale of shares agreement with AFI Europe N.V. (a wholly-owned subsidiary of AFI Properties Ltd.) (together, the “purchaser”) to dispose of EPP’s shares in a Polish company that holds 70% in a partnership that holds perpetual usufruct rights in respect of land plots of approximately 65 000 m² in central Warsaw, located at 22 Towarowa Street, Warsaw, for a total cash consideration that may amount to circa EUR127 million (the “disposal” or the “transaction”).

RATIONALE AND USE OF PROCEEDS

The disposal is in line with EPP’s strategy to dispose of non-core assets. The proceeds from the disposal will be utilised to pay down debt funding.

TERMS OF THE DISPOSAL AND CONDITIONS PRECEDENT

In terms of the preliminary sale of shares agreement, the purchaser will pay EUR 70.8 million of the purchase consideration to the seller upon completion of the transaction. Net proceeds to the seller will be reduced by top-up of the purchase price which is due to be paid by the seller to the original owners of the plots, and other transactional costs. The remainder of the consideration will be paid according to milestones agreed between the parties.

The transaction is subject to the final sale of shares agreement being entered into by the seller and the purchaser subsequent to the satisfaction of the conditions precedent, including among others receipt of antitrust clearance by the long stop date, being 31 December 2022.

The effective date of the transaction will be upon fulfilment of the conditions precedent, which is expected within the next 4-6 months.

The preliminary sale of shares agreement contains warranties, indemnities and undertakings which are normal for a transaction of this nature.

PROPERTY SPECIFIC INFORMATION

Property name	Location	Sector	Total area (m ²)	Maximum disposal consideration (EUR)	Valuation
Towarowa 22	Warsaw, Poland	Mixed use	65 700	127 million	Full value at the end of year 2021 – EUR 122.3 million (EPP ownership at the time of closing of the transaction (70%) has therefore been valued at EUR 85.6 million)

The property was valued by Savills as at 31 December 2021.

The property is held for development and thus does not generate any income at present.

CATEGORISATION OF THE DISPOSAL

The disposal is classified as a category 2 transaction in terms of the JSE Listings Requirements and accordingly, is not subject to approval by EPP shareholders.

24 February 2022

JSE sponsor



Luxembourg Stock Exchange Listing Agent



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