

**EPP N.V.**

(Incorporated in The Netherlands)

(Company number 64965945)

JSE share code: EPP

ISIN: NL0011983374

LEI Code: 7245003P7O9N5BN8C098

(“EPP” or the “company”)



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**COVID-19 LEASE LEGISLATION UPDATE AND TRADING STATEMENT**

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**COVID-19 LEASE LEGISLATION UPDATE**

Shareholders are referred to the announcement released on SENS and published on the Luxembourg Stock Exchange on 2 July 2021. EPP indicated then that the Polish government had amended the COVID-19 related lease legislation. The amendment has removed the obligation for tenants to extend their lease agreements in exchange for exemption from rent and service charges during lockdown. Prior to this change, tenants were obliged to extend the lease for six months plus the lockdown period for each of the lockdowns. The new legislation is applicable to the second lockdown (in November 2020), third lockdown (in January 2021) and fourth lockdown (in March and April 2021). The amendment has no impact on EPP’s rental income, but does impact on EPP’s previously reported retail WAULT.

The newly introduced regulation came into force on 23 July 2021. From that date, tenants had 14 days to submit appropriate statements to the landlords, indicating whether they wished to withdraw from the extensions of the leases, or to continue with the extensions. In aggregate for the past three lockdowns, approximately 52% of EPP’s tenants who were entitled to withdraw from the extensions (equivalent to 21% of the total EPP tenant base of 1 851 tenants) opted to do so, and 48% of the entitled tenants (19% of the total EPP tenant base) did not withdraw from the extensions. As a result of the tenants’ election to withdraw from the lease extensions, EPP’s overall retail WAULT has reduced by approximately 3.8 months to approximately 5 years (by GLA as per September 2021).

**TRADING STATEMENT & GUIDANCE**

Shareholders are further advised that EPP expects that distributable earnings per share for the six months ended 30 June 2021, will increase to 3.66 euro cents per share, which is approximately 54% (or 1.28 euro cents) higher than the distributable earnings per share of 2.38 euro cents per share for the six months ended 30 June 2020.

EPP’s operational metrics have been encouraging for the first half of 2021, despite COVID-19 related retail limitations. The ongoing COVID-19 pandemic requires EPP to proceed with caution and, as a consequence, the Board deems it prudent to continue to prioritise liquidity by resolving to not declare a dividend at this stage. The decision on the 2021 dividend will be made when the full year results are approved and will take into consideration the progress made on asset disposals, refinancing of EPP’s upcoming debt, the stability of the retail environment and the overall improvements achieved in the capital structure.

Furthermore, the Board believes that the full year distributable earnings per share guidance of between 7 and 7.25 euro cents per share for the year ended 31 December 2021, will be achieved. This is after taking into consideration the absorption of the impacts of two lockdowns in January and March-April 2021. This guidance is based on the assumption that until the end of 2021 no significant tenant failures occur and no further COVID-19 lockdowns impacting EPP’s business are imposed in Poland.

The company will provide detailed information on its operational and financial performance on 15 September 2021, when it publishes its interim financial results for the period ending 30 June 2021.

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

10 September 2021

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JSE sponsor



Luxembourg Stock Exchange Listing Agent



**For more information:**

**Curwin Rittles**, Investor Relations, EPP

Mobile: +48 885 982 310

Curwin.rittles@epp-poland.com

**Java Capital**, JSE Sponsor

Phone: +27 (0)78 456 9999

**Harney Westwood & Riegels SARL**, Luxembourg Stock Exchange Listing Agent

Phone: +352 27 86 71 02

**Singular Systems IR**

Michèle Mackey

+27 (0)10 003 0700/+27 (0)82 497 9827

[michele@singular.co.za](mailto:michele@singular.co.za)