**Press release**

**12 March 2020**

**EPP delivers on-target earnings for the fourth consecutive year**

**JSE listed EPP, Poland’s biggest retail landlord, released results for the year ended 31 December 2019, with distributable income earnings up by 9.6% and distributions of EUR 11.62 cents per share. EPP’s net property income for the year is up by 3.8% to EUR 148 m, with distributable income of EUR 105.5 m. This is EPP’s fourth successive year meeting its earnings guidance.**

Importantly, EPP also advanced its key deleveraging strategy, reducing its loan-to-value ratio by 1.9% to 50% with a low average cost of debt of 2.5%.

The strong Polish economy supported the positive performance of EPPs quality portfolio of dominant shopping centres in prospering cities with the highest consumer demand and growth potential. Retail sales in the EPP portfolio grew a healthy 4.8% in 2019 despite Poland’s Sunday trading ban. Like-for-like net rental income increased by 3.3%, signalling a well-managed portfolio. More than 110 million people visited EPP’s shopping centres during 2019.

Hadley Dean, CEO of EPP, attributes the robust set of results to significant strategic progress made during the year. Highlights include executing EPP’s asset recycling strategy, successfully opening the company’s first retail development in Warsaw, upgrading its assets, raising ZAR 1.45 bn of capital, and broadening its shareholder base. Together, this served to grow and enhance the quality of EPP’s retail asset base, bolstered its balance sheet and cemented its leading market position.

With the addition of 200,000 sqm of quality retail gross lettable area (GLA) to the EPP portfolio during the year, including four second-tranche M1 portfolio assets with a transaction value of EUR 224 m, EPP now owns a quality portfolio of 25 shopping centres complemented by six high-quality office properties and the iconic mixed-use Towarowa 22 development site in Warsaw. The EPP portfolio spans one million square metres of lettable commercial space in Poland, and its vacancy remains below 1%, which underscores the dominance of the portfolio.

Aligned with its capital allocation strategy of recycling out of office assets into retail opportunities, EPP disposed of a 70% interest in three office properties with a gross asset value of EUR 188.3 m to Henderson Park private equity fund, with which it formed a joint venture.

During the year, the company successfully made its first move into the lucrative Warsaw retail market with the opening of the flagship Galeria Młociny shopping centre, 70% owned by EPP, in May 2019. The most modern shopping centre in Poland, which has 75,000 sqm of retail space, includes more than 220 shops, 40 restaurants, and is home to Poland’s first Primark store.

Looking ahead, Hadley Dean explains that EPP’s growth in 2020 will come from the third tranche of its M1 portfolio acquisition, which includes four retail power parks of a combined 111,100 sqm of GLA with a gross asset value of EUR 111.5 m. Rental income will also be boosted by Galeria Młociny’s first full-year of trading.

Commenting on EPP’s plans for 2020, Hadley Dean, whose term of office is due to expire and is expected to hand over the reins to Tomasz Trzósło in May 2020, says, *“EPP is primed to integrate its recent acquisitions into the portfolio smoothly, continue to add value through asset management, and move forward with its asset recycling strategy. EPP is well positioned to deliver the best possible rates of return to shareholders by giving consumers unique shopping experiences and tenants attractive space, supported by the compelling Polish macro-economy and favourable property fundamentals.”*

**EPP**

EPP is the largest owner of retail real estate in Poland in terms of GLA. The company's portfolio consists of 32 projects (25 retail properties, 6 office locations and one planned mixed-use development) with a total value of over 2 billion euro and leasable area of over 1,000,000 square metres. EPP’s projects are located in the most attractive Polish cities with the strongest consumer demand and growth potential.

EPP is committed to deliver the best possible rates of return to its shareholders by providing consumers with a unique shopping experience and tenants with attractive space and innovative solutions to help them develop their business. The company, which operates like a REIT, is listed on the stock exchanges in Johannesburg (JSE) in the Republic of South Africa and Luxembourg (LuxSE Euro MTF). For more information, please visit [www.epp-poland.com](http://www.epp-poland.com).

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