

EPP N.V.

(previously Echo Polska Properties N.V.)
(Incorporated in The Netherlands)
Official seat (*statutaire zetel*) in Amsterdam, The Netherlands
(Company number 64965945)
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("EPP")



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This announcement contains information as defined in Article 7(1) of Regulation (EU) 596/2014 of 16 April 2014 (the Market Abuse Regulation).

DELISTING AND OFFER BY REDEFINE TO ACQUIRE EPP SHARES AND WITHDRAWAL OF CAUTIONARY

1. Introduction

Shareholders are advised that in order to facilitate a restructuring aimed at bolstering its balance sheet and significantly reducing the extent of its gearing, the EPP board of directors (the "**EPP board**") has resolved that, subject to the fulfilment of relevant conditions, it would be in the best interests of EPP to seek a delisting of EPP shares from both the Johannesburg Stock Exchange (the "**JSE**") and the Luxembourg Stock Exchange ("**LuxSE**") (the "**delisting**").

To facilitate the delisting Redefine Properties Limited ("**Redefine**") will, subject to conditions, offer to acquire all EPP shares that it does not already own (other than those held by I Group Consolidated Holdings Proprietary Limited and its subsidiaries (collectively "**I Group**")) in exchange for Redefine shares at a swap ratio of 2.70 Redefine shares per EPP share acquired (the "**Redefine offer**"). EPP shareholders who do not wish or are unable to accept the Redefine offer will be entitled to retain their direct investment in EPP, albeit in an unlisted environment. Redefine shares are listed on the JSE.

EPP shareholders who do not or are unable to accept the Redefine offer are cautioned as to the lack of share liquidity in an unlisted environment and that whilst Redefine has expressed its intention to acquire all EPP shares not already owned by it, post expiry of the Redefine offer, there is no certainty that Redefine will be a buyer of additional EPP shares or the terms on which Redefine may agree to acquire additional EPP shares.

EPP shareholders resident outside South-Africa, and in particular those resident in the United States, the United Kingdom, any member state of the European Economic Area (such as Poland, the Netherlands and Luxembourg), Australia, Canada or Japan, are not able to accept the Redefine offer, except in certain limited circumstances in accordance with applicable laws and regulations. If an EPP shareholder is not able to accept the Redefine offer and does not wish to retain unlisted EPP shares, he or she should dispose of the EPP shares held prior to the last day to trade for purposes of participating in the Redefine offer (expected to be on or about Tuesday, 15 February 2022).

In regard to any retail investor who for legal or regulatory reasons cannot accept the Redefine offer, Redefine will undertake to use its best endeavours to, during a 45-day period following completion of the EPP shares, facilitate, to the extent reasonably practicable, an off-market purchase from any such affected retail investor at the same swap ratio and also otherwise on the same conditions as the Redefine offer, all subject to applicable rules and legislation (including but not limited to applicable securities laws) of the relevant jurisdictions. Retail investors are advised that there is no guarantee that Redefine is indeed able to facilitate such post-delisting purchase in their relevant jurisdiction.

The Redefine offer will be made as part of a series of integrated, inter-conditional transactions to give effect to the delisting and an internal reorganisation of EPP (to be effected after the delisting is completed), whereby EPP will conclude two joint venture transactions with third party investors, which transactions entail a significant aggregate gross cash injection of c. €191 million into EPP from two third party investors into two separate joint venture companies (the “**JV transactions**”), as more fully described in paragraph 6 below.

Post the delisting and implementation of the JV transactions:

- Redefine will own all of the EPP shares in issue save to the extent that EPP shareholders do not accept the Redefine offer and continue to hold EPP shares;
- EPP will have a loan to value (“**LTV**”) of 37.4% (compared to an LTV of c. 55.6% as at 30 June 2021) and will own:
 - eight direct properties comprising six prime retail properties (including its 70% interest in Galeria Młociny) and two Power Parks, valued at €1.35 billion;
 - a 30% interest in Henderson Park which owns three office properties with GLA totalling 86 000 m²;
 - a 53.74% interest in Towarowa 22, a development property in the centre of Warsaw, with a total area of about 6.5 ha and development capacity of over 210 000 m² gross lettable area, earmarked for disposal;
 - a 51.2% interest in EPP Community Properties (as defined in paragraph 5 below), a joint venture which will own 12 community retail and three office properties valued at €640.3 million and which will have an LTV of 58.1%; and
 - a 50% interest in M1 Holdco (as defined in paragraph 5 below), a joint venture which will own 11 shopping centres valued at €739.1 million and which will have an LTV of 53.1%.

2. Rationale

Since EPP’s listing in 2016, EPP has been unable to achieve meaningful liquidity in its shares or maintain an investment rating comparable to what was achieved at listing (whereby its shares traded at a price at or above the underlying net asset value (“**NAV**”) per share). EPP remains relatively highly geared and has various short and medium term liquidity requirements related to refinancing or repayment of debt maturing in 2022 that need to be met. Given the deep discount at which its shares trade to NAV and highly constrained liquidity in the Polish property market, particularly post the onset of the Covid-19 pandemic, the proposed delisting and related transactions present an accelerated and effective solution to EPP’s balance sheet challenges.

Accessing affordable equity capital on an efficient basis was one of the central motivations for EPP seeking a listing on the JSE and LuxSE. However, the nature and dynamic of equity capital markets, particularly in South Africa, has changed significantly since 2016. The listed equity market no longer presents EPP with a viable or conducive market on which to raise significant equity capital. Issuing shares at a deep discount to its NAV (as dictated by the listed equity market) would result in significant value destruction for EPP shareholders. Accordingly, EPP is effectively precluded from raising cash to (i) fund acquisitive growth or (ii) repay debt by issuing shares, given the depressed price of its equity and the dilutive consequences of a capital raise for EPP shareholders.

As at 30 June 2021, EPP had total bank borrowings of c. €1.44 billion and an LTV of c. 55.6%. In addition, EPP faces significant loan maturities with €879 million maturing by 31 December 2022 (including an unsecured corporate facility of €250 million which matures on 31 October 2022) and €369 million maturing during 2023. So far, EPP's endeavours over an extended period to implement asset disposals to assist with refinancing or repayment of maturing debts (particularly post the onset of the Covid-19 pandemic and its impact on the Polish property sector) have not yielded the desired results. Given its existing high LTV, it would be challenging for EPP to raise new or substitute corporate debt and, absent a reorganisation and introduction of third party equity as contemplated in terms of the delisting and related transactions, EPP would also likely need to extend the current moratorium on paying any distributions for an extended period and/or seek to raise significant equity capital which, even if commercially feasible, would likely be highly value destructive to existing EPP shareholders, especially those shareholders that may be unable to participate in an equity raise. Given the size of the equity injection which would be required in terms of any EPP capital raise, such a capital raise would carry high execution risk.

EPP has also not been able to achieve meaningful liquidity in its shares post listing, which has contributed to the challenge of attracting a broader universe of institutional investors and an improved investment rating. A significant contributing factor to EPP's low level of liquidity is Redefine's holding (in excess of 45%) in EPP and the fact that EPP's shareholder of reference is also listed on the JSE, affording the market two points of entry to EPP on the JSE, and thus diverting a degree of liquidity away from EPP shares.

This combination of factors and continued uncertainty regarding the likelihood and degree of any global economic recovery culminated in the EPP board (i) resolving to retain cash (which would ordinarily have been paid to EPP shareholders as a dividend) from 2020 and (ii) considering other reorganisation initiatives in order to mitigate potential balance sheet risk. EPP is not currently in a position to deliver income to its shareholders in the form of dividends and capital market dynamics restrict EPP's ability to remedy this position in the short term.

When considering the factors detailed above as well as the costs and significant draw on management capacity associated with EPP's dual-listed structure, the EPP Board has concluded that EPP is not able to realise any of the material benefits of its listing, particularly recognising that EPP's listings do not present a commercially realistic capital raising platform for EPP.

Implementation of the delisting and related transactions will better position EPP to return to being a property income fund paying regular distributions to shareholders and, longer term, pursue its growth objectives, whilst simultaneously affording investors the ability to retain exposure to EPP either directly via continuing to own EPP shares (albeit in unlisted form) or indirectly via Redefine with its post transaction property portfolio comprising c. 30% Polish properties. Shareholders who do not wish to retain exposure to EPP via Redefine will obtain an enhanced ability to monetise their investment, as Redefine's shares are highly liquid especially compared to those of EPP. The repositioned EPP will retain direct property holdings in respect of its six prime retail assets plus two Power Parks, with the remainder of its property interests being held through its equity exposure to joint ventures, including the newly established joint ventures that will be jointly controlled by EPP and which portfolios will continue to be managed by EPP in terms of market related property and asset management arrangements.

The implementation of the JV transactions accordingly provides an accelerated and effective solution to EPP's balance sheet challenges. Should the proposed series of transactions not be implemented, EPP will continue with its previously communicated strategy of asset disposals aimed at ensuring that EPP meets all debt servicing commitments and reduces its LTV. Whilst management remain confident of achieving meaningful asset disposals during 2022, the success and timing of such disposal process remains subject to the vagaries of market conditions and related execution risks which management is only partially able to control. If such disposals are successfully implemented during 2022, EPP would expect to return to a dividend paying position during 2023.

3. Details of the Redefine offer

The material terms of the Redefine offer are as follows.

3.1. Redefine offer consideration

The Redefine offer will be made for a share consideration of 2.70 Redefine shares for every EPP share acquired (the "**Redefine offer consideration**"). EPP shareholders that accept the Redefine offer will acquire their Redefine consideration shares after the last date to trade to participate in the Redefine dividend of 60.12 cents per Redefine share announced by Redefine in respect of its year ended 31 August 2021 (which dividend is to be paid by Redefine on 6 December 2021) but such Redefine consideration shares will rank for Redefine dividends for future periods.

The value per EPP share implied by the Redefine offer consideration is set out below. The values are based on closing prices of EPP shares and Redefine shares on the JSE on Friday, 5 November 2021, being the business day prior to release of the cautionary announcement, and Friday, 26 November 2021, being the business day prior to the release of this announcement.

ZAR	EPP share price	Redefine share price	Value per EPP share implied by Redefine share price Note 1	Redefine clean share price Note 2	Value per EPP share implied by Redefine clean share price Note 3
5 November 2021					
Closing	11.90	4.79	12.93		
7-day VWAP	11.91	4.65	12.56		
26 November 2021					
Closing	12.00	4.80	12.96	4.21	11.35
7-day VWAP	13.00	4.94	13.35	4.35	11.75

1. Redefine share price multiplied by the swap ratio of 2.70 Redefine shares per EPP share.
2. Redefine share price reduced by estimated portion of dividend accrued in share price, based on a dividend of 60.12 cents per Redefine share with a Last Date to Trade to participate in the Redefine dividend of 30 November 2021 and a 366 day accrual cycle. The Redefine clean share price was calculated for trading days post 5 November 2021 only once Redefine had released its further trading statement with details on the dividend.
3. Redefine clean share price multiplied by the swap ratio of 2.70 Redefine shares per EPP share.

3.2. Remaining EPP shares

Upon implementation of the delisting, those EPP shareholders who do not accept the Redefine offer will remain the holders of unlisted EPP shares.

Prior to listing on the JSE in 2016, EPP obtained approval from the SARB for the listing of its ordinary shares on the Main Board of the JSE, which listing is classified as an “inward listing” in terms of the Exchange Control Regulations. All inward listed shares on the JSE, traded and settled in Rand, are classified as domestic assets for purposes of Exchange Control. **South African resident EPP shareholders who wish to continue to hold unlisted EPP shares should note that following EPP’s delisting, the unlisted EPP shares will constitute a foreign asset for Exchange Control purposes. EPP shareholders that do not wish or are unable to accept the Redefine offer should establish whether they will be permitted to continue to hold EPP shares post the delisting and/or whether they require any additional Exchange Control approvals to do so, and to ensure that the requisite approvals are secured before the delisting is effected.**

Shareholders who do not wish or are unable to accept the Redefine offer and instead continue to hold unlisted EPP shares should note that upon EPP delisting from the LuxSE and JSE, all EPP shares will be transferred to an unlisted register, maintained in South Africa. In regard to any retail investor who for legal or regulatory reasons cannot accept the Redefine offer, Redefine undertakes to use its best commercial endeavours to, during a 45-day period following closing of the Redefine offer, facilitate, to the extent reasonably practicable, an off-market purchase from any such affected retail investor at the same swap ratio and also otherwise on the same terms and conditions as the Redefine offer, all subject to applicable rules and legislation (including but not limited to applicable securities laws) of the relevant jurisdictions. Retail investors are advised that there is no guarantee that Redefine is indeed able to facilitate such post-delisting purchase in their relevant jurisdiction.

Shareholders holding EPP shares on the LuxSE register are advised that the Redefine shares issued pursuant to the Redefine offer will only be issued (and listed) on the JSE. Accordingly, any shareholder who holds EPP shares on the LuxSE register and who wishes (and is able) to accept the Redefine offer must prior to accepting the Redefine offer open an account with a South African CSDP or broker and transfer his/her EPP shares into such account.

3.3. Conditions precedent to the Redefine offer

The Redefine offer remains subject to the fulfilment (or waiver, as the case may be) of the following conditions precedent:

- the delisting being approved by the majority of EPP shareholders (excluding Redefine and I Group);
- the I Group repurchase (see paragraph 7 below) being approved by the majority of EPP shareholders (excluding I Group);

- Redefine shareholders placing sufficient Redefine shares under the control of the Redefine board so as to enable Redefine to make the Redefine offer;
- EPP and Redefine obtaining all requisite regulatory approvals for the implementation of the acquisition by Redefine of EPP shares pursuant to the Redefine offer, including exchange control approval, approval from the applicable competition authorities and approval from the JSE and LuxSE; and
- the conditions precedent to the JV transactions being fulfilled.

4. The delisting

The delisting will be implemented in accordance with the requirements of sections 1.14 and 1.15 of the JSE Listings Requirements.

By virtue of the fact that Redefine holds c. 45.44% of EPP shares in issue, it is considered a controlling shareholder of EPP in terms of the JSE Listings Requirements. In addition, the JSE regards I Group as acting in concert with Redefine in respect of the delisting. Accordingly, in terms of section 1.16 of the JSE Listings Requirements, any votes cast by Redefine and I Group on the delisting resolution will not be taken into consideration when determining whether the delisting resolution is approved by the requisite majority of EPP shareholders at the extraordinary general meeting in respect of the delisting and related transactions (the “**EGM**”).

The delisting is subject to the fulfilment of the following conditions:

- the delisting resolution being approved by the majority of EPP shareholders (excluding Redefine and I Group);
- EPP obtaining all requisite regulatory approvals to give effect to the delisting, including the approval of the JSE, LuxSE, the relevant competition authorities and the SARB; and
- the Redefine offer being implemented.

5. Ability to proceed with the Redefine offer

Assuming the Redefine offer is accepted by all EPP shareholders (excluding Redefine and I Group), a total of 1 135 037 043 Redefine shares (representing c. 20.89% of Redefine shares in issue at the last practicable date) would be issued pursuant to the Redefine offer.

A general meeting of Redefine shareholders will be convened in January 2022 in order for Redefine shareholders to authorise the placement of sufficient Redefine shares under the control of the Redefine board for purposes of making the Redefine offer.

6. JV transactions

After the Redefine offer has become unconditional and the delisting has been implemented, and following the reconstitution of the EPP board, the reconstituted EPP board will be requested to approve the conclusion by EPP of two joint venture transactions involving, *inter alia*:

- a transfer by EPP of 12 community retail and three office properties to a newly incorporated EPP subsidiary into which I Group will invest (“**EPP Community Properties**”) by (i) swapping its EPP shares for shares in EPP Community Properties (pursuant to the implementation of a specific repurchase in terms of section 5.69 of the JSE Listings Requirements by EPP (the “**I Group repurchase**”)) and (ii) acquiring additional EPP Community Properties shares from EPP for c. €50 million in cash (collectively, the “**EPP Community Properties JV transaction**”); and
- a transfer of the M1 portfolio (comprising ten retail properties currently owned by EPP and M1 Marki (which will be owned by Redefine prior to the implementation of the transaction)) to a newly incorporated EPP subsidiary (“**M1 Holdco**”) and the subsequent sale of 50% of the equity and shareholder loans (if any) in M1 Holdco to funds managed by Pacific Investment Management Company LLC (“**PIMCO Funds**”) (the “**M1 Holdco JV transaction**”).

EPP will jointly control both M1 Holdco and EPP Community Properties and will render property and asset management services to both.

The preparation of the agreements required to give effect to the JV transactions are well advanced and will be finalised prior to the issue of the circular to EPP shareholders in regard to the Redefine offer, the delisting and related transactions.

PIMCO Funds and I Group have advised that their participation in the JV transactions is contingent on them being able to deploy reserved capital by March 2022, and that if their timetable requirements cannot be met, that they are likely to deploy available capital towards other investment opportunities. This has been a material factor in informing the transaction timetable and process.

7. The I Group repurchase

The implementation of the Redefine offer and the delisting will result in EPP being constituted as a controlled subsidiary of Redefine. In terms of the framework investment agreement to be executed between Redefine and I Group, on and subject to Redefine acquiring such control of EPP, Redefine shall procure that EPP concludes all agreements necessary to give effect to the I Group repurchase and the EPP Community Properties JV transaction.

In terms of the I Group repurchase, the 74 993 917 EPP shares currently held by I Group (the “**I Group shares**”) will be acquired (and shares in EPP Community Properties issued) by way of an off-market transaction at a swap ratio based on the relative NAVs of EPP and EPP Community Properties.

The EPP Community Properties consideration shares issued pursuant to the I Group repurchase will on issue represent c. 24.1% of EPP Community Properties shares in issue after the implementation of the I Group repurchase.

The I Group repurchase constitutes a specific repurchase in terms of paragraph 5.69 of the JSE Listings Requirements. Whilst the I Group repurchase will be voted on by EPP shareholders prior to the delisting, it will remain subject to the fulfilment of the conditions precedent set out below and will only be implemented after the delisting. The I Group shares do not form part of the Redefine offer shares and I Group does not constitute a participant in the Redefine offer in respect of the I Group shares.

The I Group repurchase will be subject to the fulfilment or waiver, as the case may be, of the following conditions precedent:

- the Redefine offer having been implemented;
- the delisting having been implemented;
- EPP obtaining all requisite legal and regulatory approvals required to implement the I Group repurchase, including shareholder approval; and
- the remaining conditions to the JV transactions having been fulfilled.

8. Financial effects

Set out below are the financial effects of EPP reflecting the adjustments to EPP as a result of the delisting and related transactions (“**EPP pro forma**”) and further EPP disposals (“**EPP adjusted financial effects**”).

	Before the proposed transaction Note 1	<i>EPP pro forma</i> Note 2	% change	EPP adjusted financial effects Note 3	% change (cumulative)
Financial effects of EPP					
NAV per share (EUR)	1.02	0.94	(8.0%)	0.96	(6.2%)
TNAV excluding deferred tax per share (EUR)	1.12	1.01	(10.2%)	1.03	(8.5%)
LTV	55.6%	37.4%		34.2%	
Distributable earnings per share (EUR cents)	3.66	2.84	(22.4%)	3.01	(17.7%)
Distributable earnings per share annualised (EUR cents)	Note 4	5.68	(22.4%)	6.02	(17.7%)
Earnings per share (EUR cents)	1.00	(7.49)	(848.6%)		
Headline earnings per share (EUR cents)	0.90	(0.06)	(106.4%)		

Notes and assumptions:

1. NAV per share, TNAV excluding deferred tax per share and LTV are at 30 June 2021 (extracted, without adjustment, from EPP's unaudited results for the six months ended 30 June 2021). Distributable earnings per share are for the 6 months ended 30 June 2021 (extracted, without adjustment, from EPP's unaudited results for the six months ended 30 June 2021).

2. EPP *pro forma* reflecting the adjustments as a result of the delisting and related transactions on EPP comprising the I Group repurchase, the EPP Community Properties JV transaction and M1 Holdco JV transaction including:
 - a. The I Group repurchase whereby I Group sells the I Group shares (being 74 993 917 EPP shares) to EPP for the issuance of the EPP Community Properties consideration shares amounting to 24.1% of the EPP Community Properties shares in issue.
 - b. In terms of the EPP Community Properties share sale, I Group purchases from EPP additional EPP Community Properties shares for cash at an acquisition price of EUR50 million. EPP recognises a loss on disposal of EUR28.60 million. I Group's consideration shares amount to an additional 24.7% of EPP Community Properties shares in issue. Post implementation of the EPP Community Properties share sale, I Group holds 48.8% of the EPP Community Properties shares in issue.
 - c. PIMCO Funds acquires 50% of the shares and shareholder loans in M1 Holdco, including 50% of the acquisition of M1 Marki, for a cash purchase consideration of c. EUR109 million, resulting in a loss on disposal of EUR33.56 million.
 - d. Transaction costs amount to R6.04 million and are expensed.
 - e. It is assumed that net cash proceeds after transaction costs are applied to reduce debt incurring interest at 4.5% per annum.
3. EPP adjusted financial effects reflecting EPP *pro forma* adjusted for the assumed disposal by EPP of Towarowa 22 and Power Park Opole. EPP adjusted financial effects are not *pro forma* financial effects and are provided for illustrative purposes only.
4. Distributable earnings per share annualised are distributable earnings per share for the 6 months ended 30 June 2021 annualised to a full year. Distributable earnings per share annualised are not *pro forma* financial effects and are provided for illustrative purposes only.

Set out below are the financial effects of Redefine reflecting the adjustments to Redefine as a result of the delisting and related transactions (“**Redefine *pro forma***”) and further EPP disposals (“**Redefine adjusted financial effects**”).

	Before the proposed transaction Note 5	Redefine <i>pro forma</i> Note 6	% change	Redefine adjusted financial effects Note 7	% change (cumulative)
Financial effects of Redefine					
NAV per share (ZAR)	7.22	7.04	(2.5%)	7.08	(1.9%)
TNAV excluding deferred tax per share (ZAR)	7.33	7.28	(0.8%)	7.32	(0.2%)
LTV	41.6%	43.3%		42.4%	
Distributable earnings per share (ZAR cents)	26.78	28.37	5.9%	28.75	7.3%
Distributable earnings per share annualised (ZAR cents)	Note 8 53.57	56.74	5.9%	57.49	7.3%

Notes and assumptions:

5. NAV per share, TNAV excluding deferred tax per share and LTV are at 31 August 2021 (extracted, without adjustment, from Redefine's audited results for the year ended 31 August 2021). Distributable earnings per share are for the 6 months ended 31 August 2021 (extracted, without adjustment, from Redefine's audited results for the year ended 31 August 2021 reduced by distributable earnings per share for the 6 months ended 28 February 2021).
6. Redefine *pro forma* reflecting the adjustments as a result of the Redefine offer assuming EPP had implemented the transactions reflected in EPP *pro forma*. It is assumed that all EPP shareholders (excluding Redefine and I Group) accept the Redefine offer and Redefine issues 1 135 037 043 consideration shares (420 384 090 EPP shares multiplied by the swap ratio of 2.70 Redefine shares per EPP share). Accordingly, Redefine consolidates EPP's results as summarised in EPP *pro forma* which are translated at the ZAR/EUR exchange rate on 31 August 2021 of ZAR17.27:EUR1.00.
7. Redefine adjusted financial effects reflecting the adjustments as a result of the Redefine offer assuming EPP had implemented the transactions reflected in EPP adjusted financial effects. It is assumed that all EPP shareholders (excluding Redefine and I Group) accept the Redefine offer and Redefine issues 1 135 037 043 consideration shares (420 384 090 EPP shares multiplied by the swap ratio of 2.70 Redefine shares per EPP share). Accordingly, Redefine consolidates EPP's results as summarised in EPP adjusted financial effects which are translated at the ZAR/EUR exchange rate on 31 August 2021 of ZAR17.27:EUR1.00. Redefine adjusted financial effects are not *pro forma* financial effects and are provided for illustrative purposes only.
8. Distributable earnings per share annualised are distributable earnings per share for the 6 months ended 31 August 2021 annualised to a full year. Distributable earnings per share annualised are not *pro forma* financial effects and are provided for illustrative purposes only.

Set out below are the financial effects of EPP shareholders accepting the Redefine offer reflecting the adjustments to Redefine as a result of the delisting and related transactions (“**EPP shareholder accepting the Redefine offer *pro forma***”) and further EPP disposals (“**EPP shareholder accepting the Redefine offer adjusted financial effects**”), which compares 1 EPP share before the proposed transaction as set out in the financial effects of EPP to 2.70 Redefine shares as adjusted for the proposed transaction and set out in the financial effects of Redefine.

	Before the proposed transaction Note 9	EPP shareholder accepting the Redefine offer <i>pro forma</i> Note 10	% change	EPP shareholder accepting the Redefine offer adjusted financial effects Note 11	% change (cumulative)
Financial effects of EPP shareholders accepting the Redefine offer					
NAV per share (ZAR)	17.68	19.00	7.5%	19.11	8.1%
TNAV excluding deferred tax per share (ZAR)	19.38	19.64	1.4%	19.75	1.9%
LTV	55.6%	43.3%		42.4%	
Distributable earnings per share (ZAR cents)	63.18	76.60	21.2%	77.62	22.8%
Distributable earnings per share annualised (ZAR cents)	Note 4 126.37	153.19	21.2%	155.23	22.8%

Notes and assumptions:

9. Amounts set out in the “Before the proposed transaction” column of the financial effects of EPP, translated at the ZAR/EUR exchange rate on 31 August 2021 of ZAR17.27:EUR1.00.
10. Redefine *pro forma* as set out in the financial effects of Redefine multiplied by the swap ratio of 2.70 Redefine shares per EPP share.
11. Redefine adjusted financial effects as set out in the financial effects of Redefine multiplied by the swap ratio of 2.70 Redefine shares per EPP share. Redefine adjusted financial effects are not *pro forma* financial effects and are provided for illustrative purposes only.

The financial effects have been prepared for illustrative purposes only, to provide information on how the delisting and related transactions and further EPP disposals may have affected the financial position and financial performance of EPP and EPP shareholders accepting the Redefine offer, assuming the delisting and related transactions and further EPP disposals had been implemented at period-end for statement of financial position purposes and implemented at the beginning of the period for statement of profit or loss and other comprehensive income purposes.

Due to their nature, the financial effects may not fairly represent EPP’s or an EPP shareholder’s financial position, financial performance or cash flows after the delisting and related transactions and further EPP disposals. The financial effects, including the assumptions on which they are based and the financial information from which they have been prepared, are the responsibility of the board of directors of EPP. The financial effects have been prepared in accordance with the JSE Listings Requirements, the Guide on Pro forma Financial Information issued by the South African Institute of Chartered Accountants and EPP’s accounting policies that are in compliance with IFRS and that are consistent with those applied in the audited consolidated results of EPP for the 12 months ended 31 December 2020.

The financial effects have not been reviewed or reported on by independent reporting accountants.

9. Establishment of the independent committee, appointment of independent expert and advisor and Board recommendations

An independent sub-committee of the EPP board, comprising Robert Weisz, Dionne Ellerine, Sandra van Loon and Taco de Groot (the “**independent committee**”) has been appointed to advise the EPP board in respect of the Redefine offer.

EPP appointed Deloitte & Touche (the “**independent expert**”) as the independent expert to provide an opinion regarding the Redefine offer, and to make appropriate recommendations to the independent committee in the form of a fairness opinion in respect of the Redefine offer in accordance with the JSE Listings Requirements.

At the instance of the independent committee, an investment bank was also appointed to review the independent expert’s opinion and to further assist the independent board in assessing the fairness of the Redefine offer.

The independent expert has submitted its preliminary report to the independent committee and concluded that the Redefine offer is fair in so far as EPP shareholders are concerned.

The independent expert’s full report, as well as the independent committee’s opinion on the Redefine offer will be included in the circular to be issued to EPP shareholders in respect of the Redefine offer.

The EPP board, upon unanimous advice from the independent committee, has expressed its intention to (subject to, *inter alia*, the independent expert's final opinion confirming the fairness of the Redefine offer and the relevant transaction documentation having been agreed) (i) unanimously recommend that the proposed delisting and related Redefine offer is in the best interests of EPP and its shareholders and (ii) unanimously recommend that shareholders approve all resolutions to be put to shareholders at the EGM required to facilitate the implementation of the delisting and related transaction.

The proposed transaction enjoys the support of EPP's management.

10. Circular posting date

Subject to the execution of all agreements required to be executed in order to facilitate the transactions contemplated in this announcement, it is anticipated that on or about 17 December 2021, EPP will issue a circular to EPP shareholders setting out the full terms and conditions of the Redefine offer, the delisting and related transactions. It is further anticipated that the EGM will be held on or about 17 January 2022 to approve, *inter alia*, the delisting and that EPP will delist from the JSE and LuxSE on or about 22 February 2022. For the purposes of procuring the delisting from the LuxSE, a formal application will be made as soon as practically possible after the EGM, to the LuxSE in terms of paragraph 804 of the LuxSE Rules and Regulations. EPP shareholders will be advised of the posting of the circular and detailed transaction timetable by means of an announcement released on SENS and the LuxSE, subject to applicable law.

11. Withdrawal of cautionary

EPP shareholders are referred to the cautionary announcement released on SENS and the LuxSE on 8 November 2021, and are advised that as the result of the publication of this announcement, the cautionary is hereby withdrawn and shareholders are no longer required to exercise caution when dealing in their EPP shares.

29 November 2021

JSE Sponsor and corporate advisor



Luxembourg Stock Exchange Listing Agent



Dutch legal advisors to EPP

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