

NEPI Rockcastle N.V.
(formerly NEPI Rockcastle S.A.)
Incorporated and registered in the Netherlands
Registration number 87488329
Share code: NRP
ISIN: NL0015000RT3
(“NEPI Rockcastle” or “the Group” or “the Company”)



ACQUISITION OF FORUM GDANSK SHOPPING CENTER (GDANSK, POLAND) AND UPDATE ON COPERNICUS SHOPPING CENTRE ACQUISITION

INTRODUCTION

Stakeholders are advised that, on 19 December 2022, NEPI Rockcastle, through its wholly owned subsidiary NE Property B.V., acquired all the issued shares in Forum Gdansk sp zoo (**‘the Target’**), owning Forum Gdansk Shopping Centre (**‘Forum Gdansk’** or **‘the Property’**), from Multi Veste 339 B.V., ultimately owned by Blackstone-managed funds (**‘the Transaction’**). The Transaction encompassed the repayment of all the Target’s outstanding debt.

Forum Gdansk is a 63,500 m² gross lettable area (**‘GLA’**) shopping center, situated in Gdansk, the sixth largest city in Poland by population, with over 470,000 inhabitants. Gdansk, together with the cities of Gdynia and Sopot, comprise the ‘Tricity region’, considered to be one of the Poland’s largest, wealthiest and fastest growing urban agglomerations.

RATIONALE FOR THE TRANSACTION

The acquisition represents one of the biggest single asset shopping center transactions by value in Europe in 2022 and is accretive to the Group’s distributable earnings. The Transaction is in line with NEPI Rockcastle’s investment strategy to increase the concentration of its portfolio in countries with investment grade rating and focus on core dominant properties.

With a catchment area of over 840,000 people (within 30 minutes drive), the Property enjoys a strategic location in the city, with excellent visibility and access from all city districts.

Forum Gdansk has a BREEAM In-use Excellent certification and an occupancy rate of 93%, including anchor tenants such as Eurospar, H&M, Helios, Reserved, TK Maxx, Van Graaf and Zara. The Property has outstanding operational performance and is well positioned for future growth, both organically and through further value enhancement.

“Forum Gdansk represents a compelling investment opportunity. We strongly believe in retail real estate and its positive outlook, despite concerns over the macroeconomic context and potential slowdown as a result of the rising inflation and interest rates. We are long-term investors and we are confident that fundamentally Central and Eastern Europe is a region that will continue to show further economic growth in the future”. – Rüdiger Dany, CEO.

SALIENT TERMS OF THE TRANSACTION

The effective date of the Transaction is 19 December 2022.

The aggregate purchase price for the Transaction is €250 million (**“Purchase Price”**), of which €50 million comprises vendor financing payable by NEPI Rockcastle within a maximum period of three years, at a fixed interest rate of 6.5%. The coupon is payable quarterly from the effective date of the Transaction. The Purchase

Price (net of vendor financing) was funded from the Company's cash resources and credit facilities.

The purchase agreement for the Transaction contains undertakings, warranties and indemnities, which are typical for a transaction of this nature.

There are no outstanding conditions precedent.

DETAILS OF THE PROPERTY

Property	Location	Sector	Monthly average weighted rent per m²	GLA m²	Total consideration	Valuation	Estimated Net Operating Income
Forum Gdansk	Gdansk, Poland	Retail	€21.60	63,500	€250 million, of which €50 million comprises vendor financing as mentioned above	€250 million*	€16.5 million

*The purchase price reflects the price for the acquisition of the issued shares in Forum Gdansk and settlement of debt, whilst the valuation amount reflects the value attributed to the Property by the directors of the Company. The directors of the Company are not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No 47 of 2000 in South Africa.

As required by the Listings Requirements of the JSE Limited, NEPI Rockcastle reports that the Target registered a statutory loss of PLN 12,693 thousand for the year ended 31 December 2021. This information has been extracted from the 2021 annual audited financial statements of the Target, prepared in terms of Polish accounting standards. For the purposes of this announcement NEPI Rockcastle is satisfied with the quality of the financial statements of the Target.

CATEGORISATION OF THE TRANSACTION

The Transaction is classified as a category 2 transaction in terms of the Listings Requirements of the JSE Limited and accordingly does not require approval by NEPI Rockcastle's shareholders.

UPDATE ON COPERNICUS SHOPPING CENTRE ACQUISITION

Further to the announcement on 15 November 2022, the Group is pleased to announce that the acquisition of Copernicus Shopping Centre became effective as of 19 December 2022, following receipt of the Competition Council approval. The two transactions cement NEPI Rockcastle's position in the Polish market, with ownership of two high quality performing retail assets in the country.

For further information please contact:

NEPI Rockcastle N.V.

Rüdiger Dany/Eliza Predoiu

+31 202 38 40 30

JSE sponsor

Java Capital	+27 11 722 3050
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Euronext Listing Agent

ING Bank	+31 20 563 6685
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Media Relations

	mediarelations@nepirockcastle.com
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Emma Villiers	emma.villiers@bellierfinancial.com
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Steve Hays	steve.hays@bellierfinancial.com
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20 December 2022